

THE

Tobacco

SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

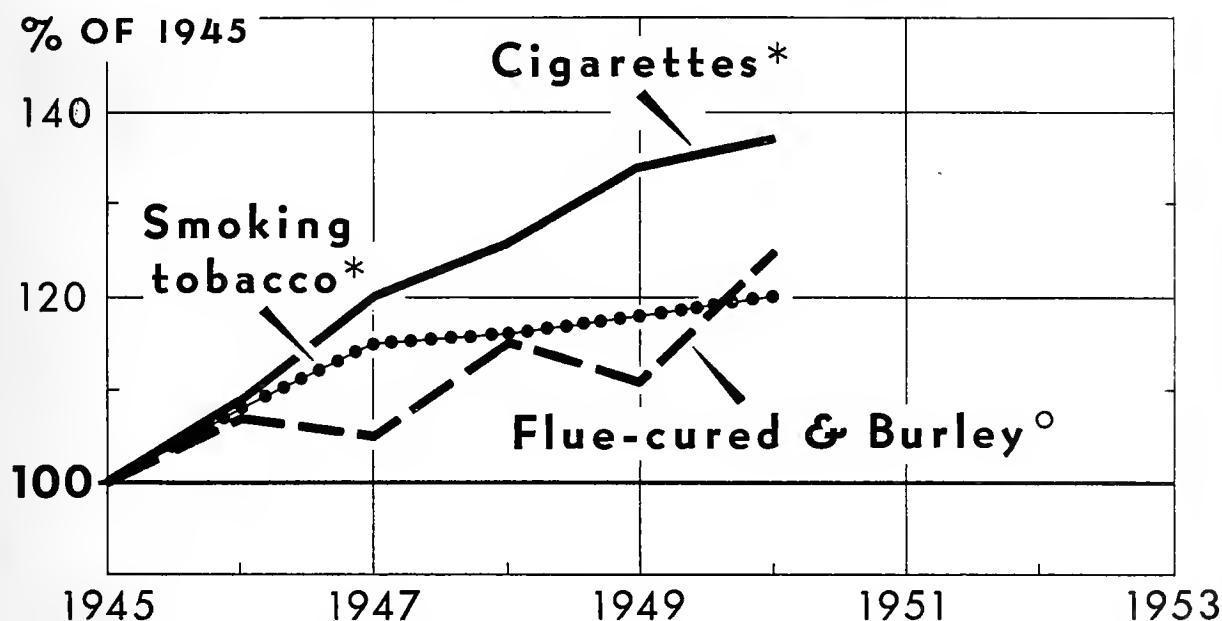
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PRICES OF CIGARETTES, SMOKING TOBACCO, AND LEAF



* WHOLESALE PRICES EXCLUDING FEDERAL EXCISE AND STATE TAXES

° SEASON AVERAGE PRICES WEIGHTED BY DOMESTIC USE

U. S. DEPARTMENT OF AGRICULTURE

NEG 47994-XX BUREAU OF AGRICULTURAL ECONOMICS

Manufacturers' prices of standard brand cigarettes (excluding the Federal excise tax and State taxes) averaged about 37 percent higher in 1950 than in 1945, when they were under OPA ceilings. A similar comparison shows that wholesale prices of smoking tobacco in 1950 averaged 20 percent higher than in 1945. Cigarette volume rose 18 percent from 1945 to 1950, but the output of smoking tobacco in each year from 1946 to

1950 has been approximately 35 percent less than in 1945. The two major kinds of tobacco used in these products are flue-cured and Burley. The average price of flue-cured and Burley tobacco combined was 25 percent higher in 1950 than in 1945, when both were under price control. The 1950 crop of flue-cured brought substantially higher prices than in 1949 and Burley prices also rose, although less sharply.

STATISTICAL SUMMARY

Item	Unit or base period	1949				1950				Last data available as percent of a year earlier
		Sept.	Oct.	Nov.	Dec.	Sept.	Oct.	Nov.	Dec.	
Prices received at auctions										
Flue-cured	Cents per lb.	48.4	48.9	44.2	35.1	55.5	55.0	52.3	43.7	125
Burley	Cents per lb.	1/	1/	45.0	46.7	1/	1/	49.7	48.1	103
Fire-cured	Cents per lb.	1/	1/	32.1	33.0	1/	1/	36.3	35.1	106
Dark air-cured	Cents per lb.	1/	1/	28.8	27.7	1/	1/	32.3	25.3	91
Parity prices 2/										
Flue-cured	Cents per lb.	46.3	46.0	46.3	46.3	51.2	51.2	51.5	51.9	112
Burley	Cents per lb.	44.8	44.6	44.8	44.8	51.2	51.2	51.5	51.9	116
Maryland	Cents per lb.	46.5	46.2	46.5	46.5	56.5	56.3	57.3	57.3	124
Fire-cured	Cents per lb.	21.5	21.4	21.4	21.5	30.5	30.5	30.8	31.0	144
Dark air-cured (35-36)	Cents per lb.	17.2	17.1	17.1	17.2	27.4	27.4	27.6	27.8	162
Virginia sun-cured (37)	Cents per lb.	23.1	22.9	22.9	23.1	34.5	34.5	34.7	35.0	152
Index of prices paid, int., taxes, and wage rates 3/	1910-14=100	248	246	245	246	261	261	263	265	108
Tax-paid Withdrawals										
Cigarettes, small	Billion	32	30	30	25	31	30	30	25	100
Cigars, large 4/	Million	532	534	509	386	504	554	545	375	97
Chewing and Smoking	Mill. lb.	19	18	16	13	18	19	15	10	77
Snuff	Mill. lb.	3.7	3.7	3.5	3.8	3.2	3.4	3.3	3.1	82
Accumulated since Jan. 1										
Cigarettes, small	Billion	269	298	328	352	276	306	336	361	103
Cigars, large 4/	Million	4,157	4,692	5,200	5,587	4,064	4,618	5,163	5,538	99
Chewing and Smoking	Mill. lb.	147	165	181	194	146	165	180	191	98
Snuff	Mill. lb.	30	34	37	41	30	34	37	40	98
Cigarettes, tax-free	Billion	3	3	2	2	3	3	3	3	150
Accumulated since Jan. 1										
Tax-free	Billion	26	29	31	33	23	26	29	32	97
Tax-paid plus tax-free	Billion	294	327	358	386	299	333	365	393	102
Stocks, beginning of quarter (farm-sales weight)										
Flue-cured	Mill. lb.		1,941				1,857			96
Burley	Mill. lb.		974				996			102
Maryland	Mill. lb.		54				60			111
Fire-cured	Mill. lb.		157				165			105
Dark air-cured	Mill. lb.		74				80			108
Cigar, filler 4/	Mill. lb.		185				195			105
Cigar, binder	Mill. lb.		123				135			110
Cigar, wrapper	Mill. lb.		22				23			105
Exports (farm-sales wt.)										
Flue-cured	Mill. lb.	80.3	58.8	36.5	49.7	71.8	69.3	51.4	40.9	82
Burley	Mill. lb.	3.4	2.9	1.7	2.4	5.6	3.8	3.1	2.2	92
Maryland	Mill. lb.	.8	.3	1.2	.8	.7	1.0	.3	.5	62
Fire-cured	Mill. lb.	2.3	.9	1.2	2.4	2.3	1.7	2.7	5.0	208
Dark air-cured	Mill. lb.	.6	.7	.6	.7	.7	.6	.5	1.2	171
Cigar	Mill. lb.	.6	1.4	1.6	1.0	1.9	.6	.4	.3	30
Accumulated since begin- ning of crop year										
Flue-cured	Mill. lb.	159.0	217.8	254.3	304.0	135.3	204.6	256.0	296.8	98
Burley	Mill. lb.	41.9	5/ 2.9	4.6	7.0	40.9	5/ 3.8	6.9	9.1	130
Maryland	Mill. lb.	9.3	5/ .3	1.5	2.3	7.4	5/ 1.0	1.4	1.8	78
Fire-cured	Mill. lb.	43.2	5/ .9	2.1	4.5	29.1	5/ 1.7	4.4	9.4	209
Dark air-cured	Mill. lb.	14.8	5/ .7	1.3	2.0	6.2	5/ .5	1.2	2.3	115
Cigar	Mill. lb.	23.2	5/ 1.4	3.0	4.0	10.9	5/ .6	1.0	1.3	32
Personal income 5/	Bill. dol.	203	202	206	208	229	231	233	241	116
Index of Industrial Production 1/	1935-39=100	178	169	174	178	216	221	216	214	120
Percent Labor Force Employed	Monthly	94.7	94.3	94.5	94.4	96.3	97.0	96.5	96.4	102

1/ Closed. 2/ 1949 parities computed by old formula; 1950 parities by new formula. 3/ 1949 parities not computed with this index. 4/ Includes Puerto Rican. 5/ Beginning of crop year. 6/ Seasonally adjusted monthly totals at annual rate. 7/ Unadjusted.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board February 20, 1951

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SUMMARY

Farmers will grow larger acreages of flue-cured and Burley tobacco this year than last. Increases in acreage allotments for 1951 were announced last November and further increases were announced by the Secretary of Agriculture in late February. If yields per acre approximate the average for the last 5 years, the flue-cured crop in 1951 will exceed last year's, when record yields helped to make it the third largest in history. The larger 1951 crop, when added to the expected carry-over next July, would provide increased supplies to meet the greater domestic and export requirements in prospect for 1951-52. Large quantities of flue-cured leaf are used domestically and also shipped abroad. If 1951 yields per acre for Burley equal the 1946-50 average, the 1951 production would be moderately higher than last year's. Assuming larger production this year and adding it to the expected lower carry-over next October, total supplies of Burley for the 1951-52 marketing year would be a little above the 1950-51 level. More than nine-tenths of all Burley goes into domestically manufactured tobacco products.

A strong domestic and export demand is in prospect for flue-cured and Burley. The principal outlet for these types is in cigarettes, which in 1950 were consumed in record quantities in the United States. Also, cigarettes continue to gain in popularity in many foreign countries. United States cigarette manufacturers produced 392 billion cigarettes

in 1950, a new high and 5 billion above the previous record in 1948. Cigarette consumption in the United States, its territories, and by overseas personnel totaled about 379 billion in 1950--an increase of 3 1/2 percent above the comparable total in 1949. The President's tax program recommends an increase in the excise tax on cigarettes. The present rate of \$3.50 per 1,000 (7 cents per package of 20) would rise to \$5.00 per 1,000 (10 cents per pack) if the recommendation should be adopted by the Congress. The Treasury estimates additional revenue collections at about one-half billion dollars from such an increase in tax rate. This assumes that the higher tax rate and corresponding increase in retail prices would have little effect on total consumption. Consumer demand for cigarettes has generally been found to be relatively inelastic. A sizable quantity of Burley and some flue-cured goes into manufactured smoking tobacco for pipes and hand-rolled cigarettes. The 1950 output of smoking tobacco was about 109 million pounds--slightly more than in 1949. The 1951 output may show a further small gain.

Exports of flue-cured leaf in 1950 accounted for approximately four-fifths of the total unmanufactured tobacco exports from the United States. The 1951 exports of flue-cured are likely to be above those of last year. Stocks of United States tobacco abroad are low relative to consumption requirements, and the improved dollar exchange position of the United Kingdom and other countries is expected to enable foreign purchasers to buy more tobacco from the 1951 crop than in the 1950 season. British tobacco imports from the United States in 1950 were the smallest since 1941. The Commonwealth countries sent Britain more tobacco in 1950 than in any previous year.

The exports of all unmanufactured tobacco from the United States in 1950 totaled 476 million pounds (export weight) valued at 250 million dollars. Export volume was 4 1/2 percent less than in 1949 but the total value dropped by less than 1 percent. The 1950 exports of flue-cured and Burley were a little larger than in 1949 but exports of most fire-cured, dark air-cured, and cigar tobacco types dropped well below their 1949 levels. The United States tobacco exported in the last half of 1950 had a declared value per pound of 56.5 cents--up 11 percent from the value per pound in the last half of 1949. This was principally a reflection of the higher prices paid for export purchases from the 1950 flue-cured crop.

The season average price received by farmers for 1950 flue-cured was 54.7 cents per pound--7.5 cents higher than for the 1949 crop and a new record high. Although prices received by growers advanced more than cigarette prices from 1949 to 1950, the growers' prices have risen considerably less than cigarette prices (excluding taxes) since 1945 when OPA ceilings were in effect. The 1950 Burley marketings were near closing by late February and the auction market average for the

season's sales was 48.8 cents per pound--3.6 cents higher than the 1949 season average. Flue-cured growers placed much less tobacco under Government loan in the 1950 season than a year earlier but more Burley went under loan. In general, flue-cured tobacco prices for the season averaged higher than the parity level while Burley prices averaged below parity. Sales of tobacco in its raw and natural state were exempted from ceilings by the price-freeze order of January 25 and as amended February 12. Price ceilings on tobacco and tobacco products at the processor stage and beyond are subject to the "parity adjustment" provisions of the freeze order. The purpose of these provisions was to freeze the margins of distributors of agricultural commodities without preventing the price of the agricultural commodity itself from rising to the legal minimum specified in the Defense Production Act. The 1951 crop parities and price supports for most types of tobacco will be higher than those applying to the 1950 crop mostly because of the rise in the index of prices paid by farmers, interest, taxes, and wage rates during the last few months.

Supplies of most types of non-cigarette tobacco are substantial but the 1950 Kentucky-Tennessee fire-cured and dark air-cured crops were reduced in size and quality by adverse weather conditions. Acreage allotments for the fire-cured and dark air-cured types in 1951 are about the same as in 1950 and total supplies of these types at the outset of the 1951-52 marketing year are expected to be ample to meet foreseeable needs. Supplies of continental cigar filler and binder types are at their highest level since the early 1940's. Except for Pennsylvania filler (type 41), the continental filler and binder types will be under acreage allotments for the first time in several years. The 1951 total acreage allotment for these types is only about 5 percent less than the 1950 harvested acreage.

The principal domestic outlet for fire-cured tobacco is in snuff and dark air-cured is used mainly for chewing tobacco. Snuff consumption in 1950 was 40 million pounds--slightly below the 1949 total. The 1950 output of all chewing tobacco is estimated at 87 million pounds--down about 3 million from 1949 and the lowest on record. However, the 1950 output of scrap chewing, which uses lower grades of cigar binder and comprises about 45 percent of total chewing, remained about the same as in 1949. Some increases over the 1950 levels of both snuff and chewing tobacco consumption seem probable in 1951.

Cigar consumption in the United States during 1951 is expected to rise above the 5 1/2 billion level of 1950. During the last half of 1950, cigar consumption averaged about 2 percent higher than in the same period of a year earlier. The President's tax program has recommended a realignment of the excise tax schedule on cigars with substantial increases in effective rates on practically all price classes.

TOBACCO PRODUCTS

Cigarettes

Cigarette output in 1950 at 392 billion was the largest on record -- 5 billion above the previous high point in 1948. The total 1949 output at 385 billion was less than in 1948 because of the reduction in exports which more than offset the rise in domestic use. In 1950 the domestic consumption of cigarettes reached a new high of 361 billion -- about 9 billion more than in 1949. During the first half of 1950, United States cigarette consumption was about 1.6 percent more than in the same period of 1949. During the last half of 1950, consumption was 3.2 percent higher than the same period of 1949. The stronger consumer demand for cigarettes was partly a reflection of the higher levels of income and employment stemming from the national defense program. With even greater economic activity in prospect during the rest of 1951 as the result of the stepped-up defense program, cigarette production and consumption are likely to reach new peaks in 1951.

Leading cigarette manufacturers increased their prices in late July and retail prices in large cities rose 4 percent. The December 1950 average retail price for cigarettes in large cities was 24 percent higher than in 1945, when World War II price controls were in effect. After deducting the Federal excise tax from the average retail price, the relative increase since 1945 amounts to 42 percent. Part of this increase was due to new and increased State and local taxes. The Federal excise tax on small cigarettes of \$3.50 per thousand (equivalent to 7 cents per package of 20) has been the same since November 1942. In early February following the President's general tax message, the Secretary of the Treasury at Congressional Hearings recommended an increase in the Federal excise tax on cigarettes to \$5.00 per thousand (equivalent to 10 cents per package of 20). If adopted by Congress, it is estimated that the cigarette tax increase would bring in 501 million dollars in additional revenue. (For 1950 calendar year collections and comparisons see table 15.)

In 1950 about 32 billion cigarettes -- 8 percent of total United States cigarette manufacture -- were tax-free. Of this quantity, approximately 18 billion were for overseas personnel, sea stores, territories, and certain other tax-free purposes. This was an increase over 1949 and was due principally to increased procurement for overseas forces. Exports to foreign countries accounted for the other 14 billion tax-free cigarettes in 1950. Cigarette exports from the United States last year were the smallest for any year since World War II. The major drop between 1949 and 1950 was in the quantity going to the Philippine Republic, where restrictions were put into effect to conserve dollar exchange. Several other major foreign outlets also took less United States cigarettes but Tangier-French Morocco, Hong Kong, Venezuela, and Belgium-Luxembourg took larger quantities. (See table 1.) The combined quantity going to the numerous foreign countries other than those specifically listed, increased sharply from 1949 to 1950 after showing a drop from 1948 to 1949.

Table 1.- Cigarette exports from the United States, average 1934-38, annual 1948-50 with percentages

Country	Calendar year				Percent
	Average	1948	1949	1950	1950 is
	1934-38				of 1949
	Million	Million	Million	Million	Percent
Philippines, Rep. of	2,544	11,575	7,422	1,526	21
Tangier-Fr. Morocco	12	941	1,223	1,394	114
Hong Kong	22	748	983	1,143	116
Venezuela	39	702	879	1,055	120
Netherlands Antilles	105	1,221	1,291	968	75
Belgium-Luxembourg	63	1,518	764	950	124
Panama and Canal Zone	389	719	618	616	100
Switzerland	16	837	680	513	75
Sweden	80	359	597	336	56
Cuba	47	312	302	278	92
Mexico	31	285	347	264	76
Italy	34	518	354	247	70
Czechoslovakia	1	789	555	241	43
Netherlands	128	135	207	179	86
Hungary	1	580	286	110	38
Other countries	1,258	3,929	3,039	4,488	148
Total all countries	4,770	25,168	19,547	14,308	73

Bureau of Agricultural Economics. Compiled from publications and records of Department of Commerce.

Cigars

Some increase in cigar consumption seems likely to accompany the higher levels of economic activity and consumer incomes in prospect for 1951. United States smokers consumed approximately 5,538 million cigars in 1950-- a slight decline from the 5,587 million in 1949. This comparison is based on indicated tax-paid withdrawals released by the Bureau of Internal Revenue. During the first half of 1950, cigar consumption was running 4 percent below the same period in 1949 but in the last half of 1950, averaged over 2 percent above that of the comparable period a year earlier. It is estimated that in addition to the tax-paid cigars, there were between 40 and 50 million tax-free cigars. An increasing number were going overseas in the latter half of 1950.

For 1950 as a whole, cigars selling at 8 cents or less accounted for 50 percent of the total volume compared with 48 percent in 1949 and 42 percent in 1948. In the last half of 1950, a slightly smaller proportion of cigars were in the 8-cents-or-less category than during the first half of 1950. Cigars selling for more than 8 cents accounted for most of the net gain in the last half of 1950 over the last half of 1949.

The Bureau of Labor Statistics wholesale price index for popular brand cigars in December 1950 was 3.6 percent higher than a year earlier. This index has risen 29.4 percent since December 1945.

The President's tax program has recommended a realignment of the excise tax schedule applicable to cigars. The new schedule would increase the effective rate of tax on all except the very lowest-priced cigars. It provides for 13 tax classes according to intended retail price compared with 7 under the present cigar tax schedule. Under the proposed new schedule, the rate on 6-cent cigars, now \$4.00, would be increased to \$6.50 per 1,000; on 10-cent cigars, from \$10.00 to \$12.75 per 1,000; and on 15-cent cigars, from \$10.00 to \$21.75 per 1,000. The increase in revenue under the new schedule, if adopted was estimated at 25 million dollars. (See table 15 for 1950 collections and comparisons.)

Imports of dutiable cigars into the United States totaled 11.9 million in 1950 compared with 10.3 million in 1949. All except about 1 percent of the dutiable cigars came from Cuba. Imports of duty-free cigars from the Philippine Republic totaled 740,000 in 1950 compared with 566,000 in 1949. This is far below the quantity that could be entered under the duty-free annual quota of 200 million established under the Philippine Trade Act of 1946.

Shipments of cigars to the United States from Puerto Rico during 1950 dwindled sharply and amounted to less than one-half million compared with about 4 1/2 million in each of the preceding 2 years.

Exports of cigars from the United States in 1950 totaled about 2 1/2 million compared with 3 million in 1949. This is the smallest number for any year since World War II and also below the prewar average.

Smoking Tobacco

The 1950 output of smoking tobacco was close to 109 million pounds -- about 1 million more than in 1949. For the past 5 years, the annual output of smoking tobacco has fluctuated only to a minor extent. Output in 1951 may be a little larger than in 1950. Domestic consumption at about 106 million pounds in 1950 was about the same as in 1949, but the output for tax-free purposes was over 3 million pounds-- up about 1 million pounds. Larger quantities for overseas personnel probably account for most of the increase since exports were down a little.

The BLS index of wholesale prices for smoking tobacco went up 2.4 percent in 1949 and another 1.1 percent from September to October in 1950. This index has risen 17 percent since 1945. (If the excise tax is deducted, as in the chart on the cover page, the rise amounts to 20 percent.)

In rural areas, prices of packaged smoking tobacco averaged nearly 3 percent higher in December than in June 1950 and have risen 21 percent since 1945.

The 1950 exports of packaged smoking tobacco totaled 564,000 pounds, 17 percent less than in 1949. Canada (including Newfoundland) is a major outlet. The Philippine Republic, the second ranking foreign outlet in 1949,

took sharply less in 1950. The 1950 exports of manufactured bulk tobacco totaled 1,445,000 pounds--3 percent less than in 1949. The principal foreign destinations were Mexico, Haiti, Bolivia, and Dominican Republic.

The 1950 tax collection on cigarette papers for "roll-your-own cigarettes" increased about 8 percent over 1949, and this may be some indication of a larger number of hand-rolled cigarettes; but data for comparing the number of free cigarette papers used by consumers are not available.

Chewing Tobacco

Manufacture of chewing tobacco in the United States fell to a new low in 1950. An estimated 87 million pounds were produced, compared with 90 million in 1949 and 96 million in 1948. The trend in chewing tobacco has been downward since World War I, but this was interrupted during World War II, when an upturn occurred. This was attributed mainly to greater employment in hazardous occupations, where smoking was forbidden. Such a development may occur again as employment in defense industries is stepped up, but probably to a lesser extent. In World War II, the upturn in consumption of chewing tobacco amounted to about 23 percent.

During January-November 1950, consumption of plug and twist dropped below that in the same months of 1949, fine-cut held even, and scrap chewing was up a little. Plug and scrap are the major categories and accounted for around 45 percent each of total chewing tobacco consumption.

The BLS index of wholesale prices for chewing tobacco, at least through December 1950, had not changed in over 4 years. Only two changes in this index have occurred since the mid-1930's -- a 20 percent rise in 1944 and an 8 percent rise in the latter half of 1946.

The 1950 exports of chewing tobacco from the United States totaled about 1.5 million pounds compared with 2.4 million a year earlier. Australia increased her takings and accounted for nearly two-thirds of all the chewing tobacco exported from the United States. Panama (including Canal Zone) also took more but a very sharp reduction occurred in the quantity going to the Philippine Republic, the chief single outlet in 1949. Other foreign destinations taking less in 1950 than in 1949 were Canada (including Newfoundland), the United Kingdom, Netherlands Antilles, and the French Pacific Islands. Plug and twist are the two major kinds of chewing tobacco exported; and while much less plug went out last year than in 1949, exports of twist increased.

Snuff

Tax-paid withdrawals of snuff in 1950, as indicated by stamp sales, totaled 40 million pounds compared with 41 million in 1949. The cumulative figure for the first 9 months of 1950 was slightly above the same period in 1949, but the figure for the last 3 months of 1950 was 11 percent lower than in the comparable period of 1949. This decline is believed to be temporary and snuff consumption in 1951 is expected to exceed that of 1950. Snuff consumption in the United States is relatively stable but a moderate increase did occur during World War II. Following the war, snuff consumption fell off some but still remained above the average of the prewar years. Exports of snuff from the United States are negligible.

The BLS index of wholesale prices for dry sweet snuff went up more than 4 percent from November to December 1950. This index as of December 1950 was 60 percent higher than in 1945.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES ^{1/}

United States exports of unmanufactured tobacco in 1950 totaled 476 million pounds valued at 250 million dollars. Export volume was 4 1/2 percent less than in 1949 but the dollar value was down by less than 1 percent. The declared value per pound in the last half of 1950 was 56.5 cents -- 11 percent above that in the last half of 1949. This was principally a reflection of the higher prices paid for export purchases from the 1950 flue-cured crop. The volume of United States tobacco exports in 1950 was the fifth largest for any year since 1931 and the dollar value was the fifth largest on record.

Export demand is expected to be strong for 1951 crop tobacco and exports for this year are likely to exceed last year's total. Stocks of United States tobacco in a number of foreign countries are low relative to consumption requirements. ECA assistance to the United Kingdom, the chief single foreign outlet for United States tobacco, was suspended as of January 1, 1951. The gold and dollar reserves of the United Kingdom and the sterling area showed considerable improvement in the past year but, although favorable to United States tobacco exports, the financial resources of the sterling area are not yet considered adequate. Expenditures for rearmament, price increases in the dollar area, and the payment of interest and principal to the United States and Canadian lines of credit are factors affecting the economic position of Britain in 1951. Relaxation of controls over Britain's imports from dollar areas is not contemplated, and the drive for dollar earning exports will be maintained.

The increase in United States imports from western European countries has contributed to the improved economic position of these countries. The total dollar value of all United States imports from the United Kingdom in the first three-quarters of 1950 was 35 percent larger than in the same period of 1949. The value of imports from all other participating European Recovery Program countries combined was nearly 30 percent higher.

In 1950 the United Kingdom, while taking about 28 percent of total United States tobacco exports, took the smallest annual quantity since 1932 except for the 2 war years, 1940 and 1941. Next to Britain, Germany was the ranking foreign outlet for United States tobacco, accounting for 17 percent of the total in 1950. However, the 1950 Germany takings were smaller than in 1949 (see table 2), although substantially larger than in the prewar years. Netherlands ranked third and took slightly less while Belgium, ranking fourth, sharply increased her takings. Both countries took much more than the average for 1934-38. The Philippine Republic

^{1/} Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

jumped into fifth place with much larger takings in 1950 than in 1949. Restrictions on dollar imports by the Philippine Government may result in less United States tobacco going there in 1951. Other important foreign countries taking more United States tobacco in 1950 than in 1949 were Denmark, Switzerland, Sweden, Norway, New Zealand, and Italy while those getting less included France, Portugal, Ireland, Australia, and India. Except for France and Australia, most of these countries got considerably more United States tobacco in 1950 than in the average prewar years.

The kinds of United States tobacco going to principal foreign destinations have shifted considerably since the pre-World War II period. This is shown in table 3. With few exceptions, larger quantities of flue-cured and Burley and smaller quantities of fire-cured tobacco went annually to the specified countries in the recent 2 years than in the 1934-38 period. The United States tobacco trade with China in flue-cured and stems has dwindled to practically nothing. In 1950 Australia took just about the same quantity of flue-cured but less Burley than in prewar. In the recent years, Switzerland has taken much larger quantities of Maryland tobacco but France, Belgium, and Netherlands took less than in prewar. Major declines occurred in fire-cured exports to France, Belgium, Germany and the United Kingdom between 1934-38 and recent years. However, larger than prewar quantities of fire-cured went to Switzerland and Sweden in 1950. Cigar tobacco exports in the last 2 years have been mostly to Germany. Cigar tobacco exports, although dropping sharply from 1949 to 1950, remained considerably above the prewar average. Most Black Fat, which is processed largely from dark air-cured and some fire-cured, goes to Nigeria, Gold Coast, and French Africa, but the amount in the last 2 years has been substantially less than the prewar average.

Since the beginning of the European Recovery Program in early April 1948 and through December 1950, ECA authorizations for tobacco totaled nearly 405 million dollars (including 3.6 million under Government and Relief of Occupied Territories). In 1949 approximately 173 million dollars was authorized. Announced authorizations during 1950 totaled about 138 million dollars for an estimated 275 million pounds (export weight) of United States tobacco. The United Kingdom accounted for approximately one-half of the 1950 dollar total and Germany for around 12 percent. Ireland Netherlands; and France (including French territories) accounted for 8, 6 1/2, and 6 percent, respectively; Denmark and Norway, 4 percent each; and the remainder went to Belgium, Austria, Italy, and a fraction of a percent to Formosa. The 1950 authorized quantities were apportioned by types about as follows: flue-cured, 78 percent, fire-cured, 10 percent; Burley, 9 percent; cigar leaf, a little less than 2 percent, dark air-cured, a little less than 1 percent; and Maryland, about one-half of 1 percent.

During January this year, ECA announced additional authorizations for United States tobacco totaling 4.3 million dollars -- 3 million dollars for Germany, 1 million for Ireland, about one-fourth of a million for French North Africa, and the remainder for Denmark. About 65 percent of the authorizations was for flue-cured and 19 percent for cigar leaf and the remainder for Burley, fire-cured, and Maryland tobacco.

Table 2.- United States exports of unmanufactured tobacco, for specified periods, by types, and to principal importing countries

Type and country	(declared weight)						
	Calendar year			July-December			
	Average	1949	1950	Average	1949	1950	1950 as
	1934-38	1/	1/	1934-38	1/	1/	percent- age of 1949
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent
Flue-cured	324.9	379.9	382.6	216.6	264.8	258.6	98
Burley	11.6	35.1	37.5	5.5	18.5	19.9	108
Maryland	5.5	7.9	6.7	2.2	4.2	3.1	74
Va. fire-cured	9.7	4.6	5.7	4.7	2.8	3.1	111
Ky. & Tenn. "	53.7	28.5	24.0	19.4	11.7	12.2	104
One Sucker	.7	6.6	2.0	.5	2.1	1.0	48
Green River	3.0	3.2	1.2	.9	.6	.8	133
Black, Fat, etc.	9.0	4.8	3.6	4.6	2.0	2.1	105
Cigar	1.3	22.4	7.3	.8	6.2	4.1	66
Perique	.1	.1	.1	2/	.1	.1	100
Stems, tr., and scrap	17.8	5.1	5.4	9.5	.9	4.4	489
Total unmf'd.	437.3	498.2	476.1	264.7	313.9	309.4	99
<u>Country of destination:</u>							
United Kingdom	213.9	167.3	133.1	159.9	152.6	128.8	84
France	21.0	15.8	8.5	1.4	7.6	4.2	55
Belgium-Lux.	15.5	18.4	27.7	8.4	13.4	15.6	116
Netherlands	15.6	33.8	32.2	8.3	17.8	13.6	76
Germany	12.6	87.1	81.8	6.7	39.7	52.3	132
Portugal	4.8	11.1	6.1	2.3	5.3	1.3	25
Denmark	4.6	11.6	14.8	2.9	3.7	7.4	200
Ireland	7.4	25.3	17.6	4.8	16.5	12.8	78
Switzerland	3.8	10.7	14.4	2.0	6.3	8.5	135
Norway	4.7	7.4	7.7	2.9	4.6	4.7	102
Sweden	7.2	5.8	13.7	5.1	2.3	10.4	452
Italy	1.1	2.5	2.6	.6	.3	.3	100
China	48.2	3.1	.3	22.9	2/	.2	—
Australia	18.4	19.6	18.1	8.8	9.8	10.6	108
India-Pakistan	2.6	7.2	5.5	1.5	2.9	3.3	114
New Zealand	2.5	6.2	6.5	1.5	3.5	3.2	91
Philippine Rep.	1.2	1.1	27.1	.6	1.0	1.9	190
Other countries	52.2	64.2	58.4	24.1	28.6	30.3	110
Total	437.3	498.2	476.1	264.7	313.9	309.4	99

1/ Preliminary.

2/ Less than 50,000 pounds.

Table 3.- United States exports of unmanufactured tobacco, by types, to specified countries, average 1934-38, annual 1949^{1/}, 1950^{2/}

Country and year	Flue-cured	Burley	Maryland	(declared weight)								Total 2/
				Fire-cured		One Sucker	Green River	Black Fat	Cigar leaf	Stems, trimmings, and scrap		
				Virginia	Kentucky-Tennessee							
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
United Kingdom												
Av. 1934-38	207.0	0.2	3/	1.6	2.8	3/	1.8	3/	0.1	0.2	213.3	
1949	163.8	.8	0.1	.7	1.2	0.0	.6	0.0	.1	.0	167.3	
1950	130.5	.2	.0	.5	1.1	.1	.6	.0	3/	3/	133.1	
France												
Av. 1934-38	1.3	.2	.6	3/	18.8	.0	.0	3/	3/	.0	21.0	
1949	1.1	.0	.2	.0	10.5	3.0	1.1	.0	3/	.0	15.8	
1950	3.3	.4	3/	.0	4.7	.0	.0	.0	3/	.0	8.5	
Belgium-Luxembourg												
Av. 1934-38	3.8	3.1	.5	.5	5.8	.4	.8	.1	.1	.3	15.5	
1949	11.1	4.2	.2	.3	1.5	.2	.3	.0	.6	3/	18.4	
1950	19.2	5.0	.3	.1	1.9	.4	.3	.0	.6	3/	27.7	
Netherlands												
Av. 1934-38	7.4	1.2	2.0	.6	4.4	.0	3/	3/	.1	3/	15.6	
1949	24.6	2.4	.1	.3	3.7	.4	.6	3/	1.0	.8	33.8	
1950	23.4	3.5	.4	.4	3.6	3/	.0	.0	.5	.2	32.2	
Germany												
Av. 1934-38	4.1	.5	.2	1.2	3.8	3/	3/	.2	.3	2.2	12.6	
1949	58.1	10.9	.4	.5	2.5	.3	.2	.0	14.0	.2	87.1	
1950	64.4	11.6	.4	.3	1.8	.1	.0	.0	3.7	.5	81.8	
Portugal												
Av. 1934-38	.7	2.5	3/	.4	1.1	.0	.0	3/	.0	.0	4.8	
1949	3.8	6.7	3/	3/	.4	.0	.0	.0	.1	.0	11.1	
1950	1.8	3.8	.0	.0	.4	.0	.0	3/	.0	.0	6.1	
Denmark												
Av. 1934-38	2.2	.8	.1	.2	1.0	3/	3/	3/	3/	.2	4.6	
1949	8.1	1.6	3/	.1	.4	.0	.0	.0	1.1	.2	11.6	
1950	10.6	1.8	.1	.4	.9	.0	.0	.0	.4	.6	14.8	
Ireland												
Av. 1934-38	6.2	3/	3/	.2	.9	3/	.1	.0	.0	.0	7.4	
1949	24.5	3/	.0	3/	.7	.0	.1	.0	.0	.0	25.3	
1950	17.1	3/	3/	3/	.4	.0	.0	.0	3/	.0	17.6	
Switzerland												
Av. 1934-38	.1	.1	1.4	.1	1.9	3/	.0	3/	.0	3/	3.8	
1949	3.1	.5	5.6	.2	1.1	3/	3/	.0	.1	.0	10.7	
1950	5.5	.6	5.0	.3	2.7	.0	.0	.0	.1	.1	14.4	
Norway												
Av. 1934-38	1.9	.3	3/	1.8	.8	3/	3/	3/	3/	3/	4.7	
1949	4.4	1.1	3/	1.3	.3	3/	.0	.0	.1	.1	7.4	
1950	3.6	1.3	3/	2.0	.6	3/	.0	.0	3/	.2	7.7	
Sweden												
Av. 1934-38	2.7	.5	3/	1.0	2.0	.0	3/	.0	3/	1.0	7.2	
1949	1.6	1.3	.0	3/	1.7	.0	.0	.0	.1	1.2	5.8	
1950	6.3	2.9	.0	.6	2.5	.0	3/	.0	3/	1.3	13.7	
Italy												
Av. 1934-38	.1	.3	3/	.1	.5	.0	.0	.0	.0	.0	1.1	
1949	1.9	.0	.0	.0	.6	.0	.0	.0	.0	.0	2.5	
1950	1.8	3/	.0	3/	.8	.0	.0	.0	3/	.0	2.6	
China												
Av. 1934-38	36.6	.1	3/	3/	3/	.0	.0	.0	.0	11.5	48.2	
1949	1.3	.0	.0	.0	.0	.0	.0	.0	3/	1.8	3.1	
1950	.1	.0	.0	.0	.0	.0	.0	.0	.0	.2	.3	
Australia												
Av. 1934-38	17.5	.6	3/	.3	3/	.0	.0	3/	3/	.0	18.4	
1949	19.3	.2	.0	.2	.0	.0	.0	.0	3/	.0	19.5	
1950	17.6	.2	3/	.3	.0	.0	.0	.0	3/	.0	18.1	
India and Pakistan												
Av. 1934-38	2.6	3/	.0	3/	3/	.0	.0	3/	.0	.0	2.6	
1949	7.2	.0	.0	3/	.0	.0	.0	.0	3/	.0	7.2	
1950	5.5	.0	.0	3/	.0	.0	.0	.0	.0	.0	5.5	
New Zealand												
Av. 1934-38	2.3	3/	.0	.3	3/	.0	.0	.0	3/	.0	2.5	
1949	5.7	.0	.0	.4	.1	.0	.0	.0	3/	.0	6.2	
1950	6.2	.0	.0	.2	.1	.0	.0	.0	.0	.0	6.5	
Total above countries:												
Av. 1934-38	296.5	10.3	4.8	8.3	43.8	.4	2.7	.3	.6	15.4	383.9	
1949	339.6	29.7	6.6	4.0	24.7	3.9	2.9	.0	17.2	4.3	432.9	
1950	318.9	31.3	6.2	5.1	20.5	.6	.9	.0	5.3	3.1	390.6	
Total all countries												
Av. 1934-38	324.9	11.6	5.5	9.7	57.7	.7	3.0	9.0	1.3	17.3	437.3	
1949	379.9	35.1	7.9	4.6	28.5	6.6	3.2	4.8	22.4	5.1	498.2	
1950	382.6	37.5	6.7	5.7	24.0	2.0	1.2	3.6	7.3	5.4	476.1	

1/ Preliminary. 2/ Detailed figures may not add to totals due to rounding. 3/ Less than 50,000 pounds. 4/ The 1950 flue-cured exports to the Philippine Republic at 25 million pounds were unusually large compared with 1 million in 1949 and the 1934-38 average of .5 million.

Bureau of Agricultural Economics. Compiled from publications and records of the Department of Commerce.

British Tobacco Situation

Home consumption of tobacco in Britain during 1950 is estimated at close to 215 million pounds compared with 211 1/2 million in 1949. Approximately 62 percent of the tobacco for home consumption was non-preferential tobacco (mostly from the United States) compared with about 66 percent in 1949, 72 percent in 1948, and 77 percent in 1947. The home consumption of preferential tobacco (from Commonwealth countries) increased nearly 60 percent from 1947 to 1950.

In 1950 consumer expenditures on tobacco in Britain were probably the equivalent of more than 2 billion dollars (converted at official rate, \$2.80 = 1 pound sterling). The amount spent on tobacco by British purchasers is 3 or 4 times that of 10 years ago, mostly because of successive increases in the rate of tax collected in the form of duty on imports. The last increase in the duty rate was in April 1948. Since that time, the main duty rates in effect on non-preferential and preferential tobacco have been about 5 and 6 1/2 times higher, respectively, than in the pre-World War II period. In 1950 the duty paid by manufacturers accounted for close to 80 percent of the price of a package of 20 cigarettes costing the consumer 49 cents (converted at official rate, \$2.80 = 1 pound sterling). The collections from tobacco contribute substantially to Government revenues in Britain. In fiscal year 1949-50, about two-fifths of the total from customs and about one-sixth of the total receipts from all taxes came from the import duty on tobacco.

Britain manufactures and exports a substantial quantity of cigarettes and, to a lesser extent, other tobacco products. The 1950 manufactured tobacco exports from the United Kingdom totaled about 43 1/2 million pounds compared with 47 1/3 million in 1949. Exports of cigarettes in 1950 amounted to 41 million --9 percent less than in 1949, but exports of other manufactured tobacco were up a little. The chief overseas outlets for British cigarettes are Singapore, Malaya, Australia, Belgian Congo, Hong Kong, Gold Coast, Nigeria, Egypt, and Germany. Much of the decrease in British cigarette exports from 1949 to 1950 occurred in shipments to Singapore, Hong Kong, and the Gold Coast. British cigarette exports in the years since World War II have been substantially above those in the prewar period. In 1950 they were 55 percent greater than in 1938. Reexports of unmanufactured tobacco by Britain in 1950 at 4.3 million pounds were substantially above the 1949 total of 1.5 million pounds.

British tobacco stocks on November 30, 1950, totaled 427 million pounds --4 1/2 percent higher than a year earlier and also above the level for most months since the early years of World War II. However, this is well below the average level of 487 million pounds for November in the prewar years, 1934-38. Present stocks of United States flue-cured tobacco are low--probably a little over 1 year's requirements in contrast to the prewar level of more than 2 year's requirements. On the other hand, stocks of tobacco from preferential Commonwealth countries are much larger than prewar and stocks of Oriental tobacco are probably equivalent to around 4 years' requirements.

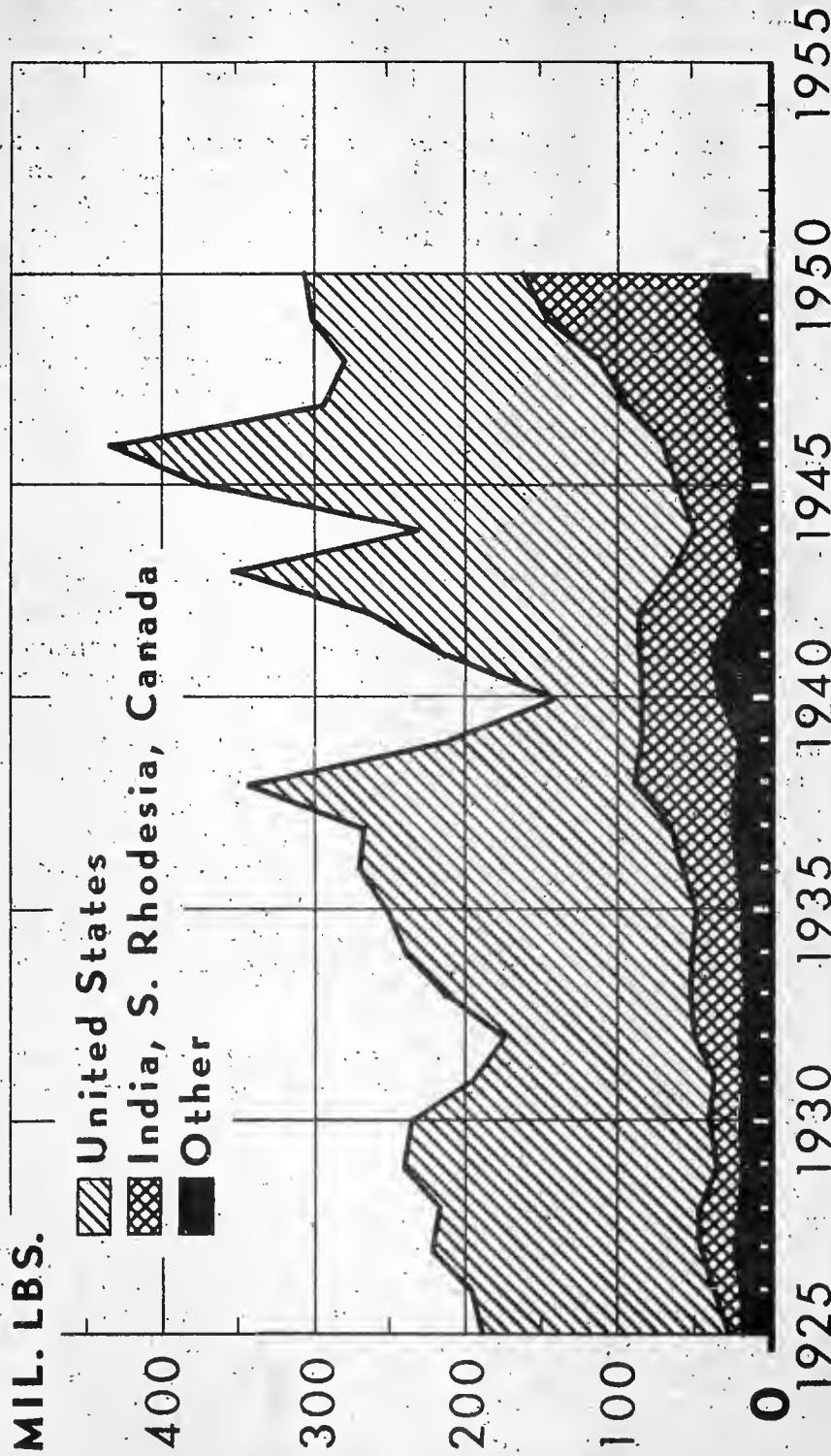
Britain imported 306 million pounds of tobacco in calendar year 1950-- about 4 1/2 million more than in 1949 and also more than in 1948 and 1947. The quantity coming from the United States totaled 143 3/4 million pounds --7 percent below 1949. The United States remained the chief single supplier and accounted for 47 percent of the total. However, except for 1940, a year of severe interruptions to trade because of the war, this was the smallest percentage share ever furnished by the United States. (See chart on page 16.) The Commonwealth countries have increased their share of the British market substantially in comparison with the pre-World War II years and immediate post-World War II years. Tobacco imports from Southern Rhodesia and India increased to new record highs from 1949 to 1950. (See table 4 on page 17.) Imports from Canada were around 22 percent above those of each of the preceding 2 years and the third largest on record. Tobacco imports from Nyasaland were down a little from the record total of 1949. British tobacco imports from Turkey at nearly 11 million pounds in 1950, although sharply below those in 1949, were still above every other previous year and very much greater than in prewar years. Imports of tobacco into Britain from Greece went down sharply to only about one-sixth of the 1949 quantity.

Tobacco prices in the leading countries supplying tobacco to Britain averaged substantially higher in the 1950 season than in the preceding season. The average price for the 1950 United States flue-cured crop was nearly 16 percent higher than for the 1949 crop; the Southern Rhodesian 1950 prices for flue-cured averaged over 18 percent above a year earlier; the Canadian flue-cured minimum price is up nearly 5 percent and prices are expected to average about 10 percent higher than for the 1949 crop. Further increases in flue-cured acreage are being planned for 1951 in Southern Rhodesia and Canada. Based on negotiations with the Southern Rhodesia Marketing Board, announcement has been made that the United Kingdom will endeavor to purchase 75 million pounds (farm-sales weight) of Southern Rhodesian tobacco in 1951, 80 million in 1952, 85 million in 1953 and also 1954, and 80 million in 1955 and also 1956, or two-thirds of the crop whichever may be less in any year. This undertaking is subject to price and quality being satisfactory.

The average price of 1950 dark fire-cured tobacco in Nyasaland dropped about 20 percent below the high 1949 average but was above any other previous year.

The value of United States flue-cured tobacco imported into the United Kingdom from August through December averaged 56.4 pence per pound (exclusive of duty) compared with 48.9 pence per pound for flue-cured from Commonwealth countries. In this period, most of the flue-cured originating in Commonwealth countries was from Southern Rhodesia and the next largest quantity was from India. The average value per pound of flue-cured from the United States was around 7 percent above that from Southern Rhodesia and approximately 30 percent higher than that from India. About 98 percent of United States flue-cured and approximately 80 percent of Southern Rhodesian flue-cured is imported unstripped (stem not removed) while over 80 percent of the flue-cured from India comes in stripped and, therefore, contains more usable tobacco per pound.

UNITED KINGDOM IMPORTS OF LEAF TOBACCO, BY SOURCE



U. S. DEPARTMENT OF AGRICULTURE

NEG. 47084-XX BUREAU OF AGRICULTURAL ECONOMICS

The 1950 total imports of tobacco into the United Kingdom were slightly above those in 1949 and also exceeded those in each of the preceding 2 years. Although the United States continued to be the chief single supplier, the quantity furnished by this country was the smallest in 9 years, and substan-

tially below the average of the years prior to World War II. Imports from Southern Rhodesia and India in 1950 were the largest on record. Stocks of United States flue-cured tobacco in Britain are low, and it is likely that more United States tobacco will be imported in 1951 than in 1950.

Table 4.- United Kingdom: Imports of unmanufactured tobacco by principal sources, annual 1925-50

Year	Total imports	United States	Commonwealth countries					Turkey	Greece
			India	Southern Rhodesia	Nyasaland	Canada	Total 1/		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1925	189.0	162.7	7.8	2/ 1.0	7.1	1.9	18.9	1.0	1.9
1926	197.2	161.4	11.9	2/ 2.3	9.1	4.9	29.8	.8	1.0
1927	222.3	177.4	8.4	9.2	13.8	5.8	41.0	.6	.7
1928	217.8	171.8	10.3	10.3	12.2	6.0	43.1	.5	.6
1929	240.0	205.4	9.2	4.0	10.7	5.0	31.5	.7	.9
1930	237.0	197.8	13.0	3.6	12.8	4.0	35.3	.6	.5
1931	194.0	157.2	9.3	5.9	11.1	6.3	34.3	.2	.4
1932	174.9	125.2	9.2	10.4	15.1	10.7	47.7	.1	.3
1933	211.1	159.9	13.0	10.0	10.4	14.0	49.2	3/	.2
1934	238.9	188.9	9.8	15.9	12.5	8.1	47.6	3/	.1
1935	251.6	202.5	11.6	15.1	10.1	7.1	45.1	.4	.7
1936	270.9	213.5	13.7	15.0	13.1	9.3	52.5	.4	.2
1937	267.4	203.3	19.2	14.5	13.5	8.6	57.3	1.6	.3
1938	344.8	256.7	32.6	18.8	13.4	16.1	82.8	.4	1.5
1939	211.5	128.0	21.1	15.0	11.7	30.2	80.2	.4	.4
1940	141.3	59.0	18.7	24.1	10.2	8.5	63.9	.1	.2
1941	213.7	129.4	26.1	19.8	12.9	2.5	63.4	5.3	6.0
1942	264.9	180.3	22.7	24.6	14.3	10.7	74.9	4.3	3/
1943	354.1	291.1	17.0	20.2	13.9	9.1	61.8	1.1	.0
1944	229.9	180.3	4.7	12.6	15.1	8.9	43.7	5.8	.0
1945	368.8	309.8	10.1	20.6	11.6	12.1	56.0	2.4	.0
1946	432.7	365.8	17.6	23.0	10.9	9.2	62.3	3.1	.6
1947	295.6	201.2	22.9	23.0	11.9	22.2	82.1	.4	10.5
1948 4/	280.8	172.4	22.8	44.0	14.1	12.7	97.3	10.2	.1
1949 4/	301.1	154.1	38.3	46.5	17.8	13.0	119.0	20.0	5.9
1950 4/	305.8	143.7	48.1	61.0	17.4	15.8	146.3	10.8	1.0

1/ Includes all Commonwealth countries.

2/ Includes Northern Rhodesia.

3/ Less than 50,000 pounds.

4/ Preliminary.

Bureau of Agricultural Economics. Compiled from Annual Statement of Trade of the United Kingdom 1925-47 and Accounts Relating to Trade and Navigation 1948-50.

IMPORTS AND SHIPMENTS 2/

In 1950 tobacco imports into the United States totaled about 90 million pounds valued at 76 million dollars. This volume was about 2 million pounds more than in 1949 but a little less than the record total of 1947. The dollar value of imported tobacco in 1950 was 4 percent above the 1949 total.

A record quantity of cigarette leaf was imported in 1950 and accounted for approximately three-fourths of total U. S. tobacco imports. About 67 2/3 million pounds of cigarette leaf were imported compared with the previous high of 64 million in each of the previous 2 years. More came in from Turkey than ever before and comprised about 71 percent of the total imported cigarette leaf. A large sale of about 24 million pounds by the Turkish Monopoly Administration to a United States company was reported in December 1950. The second ranking cigarette leaf supplier was Greece but a little less was received from there in 1950 than a year earlier. The average value per pound of cigarette leaf imported from Turkey and Greece in 1950 varied only slightly from that in 1949. Tobacco from Greece had a declared value per pound around 50 percent higher than that from Turkey. Tobacco imports from Southern Rhodesia were about the same and Syria supplied almost as much as in 1949 but less came from Bulgaria and Yugoslavia. The quantity of cigarette leaf imported from Russia in 1950 increased sharply and exceeded any previous year's.

United States stocks of foreign grown cigarette and smoking tobacco on January 1, 1951, totaled about 150 million pounds (unstemmed-weight equivalent) -- about 6 percent above a year earlier and more than twice the pre-World War II average.

United States cigar tobacco imports come mostly from Cuba and account for nearly all of the non-cigarette tobacco imports. Total tobacco from Cuba in 1950 at nearly 21 million pounds were practically the same as in each of the previous 2 years but considerably less than in 1947 and 1946. Approximately 54 percent of the Cuban tobacco imported in 1950 was stemmed cigar filler; 25 percent was scrap; 19 percent, unstemmed cigar filler; and nearly 2 percent, cigar wrapper. The filler and scrap classifications had a slightly higher declared value per pound in 1950 than in 1949 but Cuban wrapper stayed about the same.

Although more cigar wrapper was imported from Indonesia in 1950 than in 1949, it was still far below the usual prewar quantities from that area. The declared value per pound of Indonesian wrapper was a little above the 1949 average. United States imports of tobacco from the Philippines continue to be extremely small compared with prewar.

United States stocks of Cuban tobacco on January 1, 1951, totaled 15.1 million pounds--one-fifth lower than a year earlier, but stocks of Sumatra and Java tobacco were .9 million pounds--over twice the relatively low level of a year earlier.

The shipments of cigar tobacco from the United States territory of Puerto Rico in January-November totaled 17.3 million pounds compared with 15.7 million in the same period of 1949. Shipments of scrap increased almost 13 percent while stemmed leaf held about even. The average declared value per pound was lower in 1950 than in 1949.

2/ Imports of tobacco for consumption from foreign countries and shipments of the territory of Puerto Rico to the United States are on a declared-weight basis.

Table 5.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries and shipments from Puerto Rico, for specified periods

Classification and country of origin	(declared weight)							
	Calendar year				July-December			
	Average: 1949		Average: 1950		Average: 1949		Average: 1950	
	1934-38: 1/		1934-38: 1/		1934-38: 1/		1934-38: 1/	
	Mill. lb.	Mill. lb.	Mill. lb.	Mill. lb.	Mill. lb.	Mill. lb.	Mill. lb.	Percent
Total imports 2/	66.3	87.9	90.0	33.5	42.1	44.6		106
Cigarette leaf								
Unstemmed	44.4	64.1	67.6	22.6	30.8	34.0		110
Turkey	18.2	45.1	48.3	9.7	22.0	24.2		110
Greece	18.8	9.9	9.6	9.2	4.6	4.9		107
Syria	.6	3.8	3.7	.3	1.7	2.0		118
Bulgaria	.6	1.5	1.2	.3	.8	.5		62
U.S.S.R.	.1	1.7	2.4	.1	.8	1.4		175
So. Rhodesia	3/	1.3	1.3	.0	.6	.6		100
Yugoslavia	.0	.4	.3	.0	.1	.1		100
Cigar leaf (filler)								
Stemmed	7.2	11.6	11.6	3.8	5.9	6.0		102
Cuba	7.1	11.6	11.3	3.8	5.9	5.9		100
Unstemmed	4.1	4.1	3.9	2.1	2.2	2.2		100
Cuba	4.1	4.1	3.9	2.1	2.2	2.2		100
Scrap	6.2	5.4	5.3	2.6	2.7	2.4		89
Cuba	2.9	5.0	5.1	1.4	2.7	2.4		89
Philippines	3.2	.3	.2	1.2	.0	.0		—
Cigar wrapper	2.1	.8	1.1	1.2	.4	.6		150
Indonesia 4/	1.9	.5	.7	1.1	.2	3/		—
Cuba	.2	.3	.4	.1	.1	3/		—
Total from Cuba	14.3	21.0	20.7	7.4	11.0	10.5		95
Shipments from Puerto Rico 5/								
Total	22.6	17.9	17.3	13.9	11.6	9.9		
Leaf	17.6	10.3	8.7	10.8	6.2	3.7		
Scrap	5.0	7.6	8.6	3.1	5.4	6.2		

1/ Preliminary.

2/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

3/ Less than 50,000 pounds.

4/ In 1934-38, tobacco imports from Netherlands.

5/ Data for 1950 are for January-November and July-November.

Bureau of Agricultural Economics. Compiled from publications and records of Department of Commerce.

FLUE-CURED, TYPES 11-14

1950 Prices Set a Record

Flue-cured prices for the 1950 season for all belts combined averaged 54.7 cents per pound--a new record high. The 1950 crop price averaged 7.5 cents per pound higher than a year earlier and 5.1 cents above the 1948 season average--the previous record. The strong domestic and foreign demand maintained the 1950 price average well above the 1950 support level of 45.0 cents. The 1950 crop price support established at 90 percent of the June 1950 parity for flue-cured was 5.9 percent above the 1949 support level. The flue-cured parity increased between June 1949 and June 1950 because of the higher base price provided for in the 1948 and 1949 agricultural legislation and also because of the advance in the parity index (prices paid by farmers, interest, taxes, and wage rates). Growers placed about 78 million pounds or 6 percent of the total crop under Government loan during the 1950 season. This was a smaller quantity than in each of the three previous seasons. In the 1949 season, 104 million pounds went under Government loan--9 percent of the crop. Total loan stocks on February 1, 1951, were about 100 million pounds as against total receipts of approximately 585 million pounds from 1946 through 1950.

Gross income to growers from the 1950 flue-cured tobacco crop is estimated at about 690 million dollars--approximately 30 percent more than in 1949 and 5-1/2 percent above the previous record amount received for the 1946 crop. The 1950 crop was 12-1/2 percent larger than the 1949 crop but 7 percent smaller than the record size 1946 crop.

Average prices for gross sales (includes resales) of the individual flue-cured types for the past season and each of the two previous seasons are as follows:

	<u>Marketing season</u>				
	1948	1949	1950	1950	1950
	ct. per	ct. per	ct. per	as pct.	as pct.
	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>of 1949</u>	<u>of 1948</u>
Old Belt, type 11 (a)	49.2	45.5	53.4	117	109
Middle Belt, type 11 (b)	50.1	47.7	56.1	118	112
Eastern N. C., type 12	49.3	48.8	56.5	116	115
Border Belt, type 13	50.5	48.9	55.2	113	109
Ga.-Fla., type 14	47.2	40.1	48.0	120	102

Type 14 auction markets, the earliest to open, began on July 24, and the crop in this belt was about one-eighth smaller than in 1949. Yields per acre in 1950 dropped 11 percent below the record high of 1949. Prices received for gross sales in the Georgia-Florida belt were 7.9 cents per pound higher than in 1949 and gross receipts from the 1950 crop were a record, even exceeding those for the 1947 crop, which was more than one-fourth larger. Flue-cured tobacco in the type 14 markets is marketed untied and a recognized price differential exists compared with other belts where the tobacco is marketed tied in hands of about 20 leaves. About 4 percent of the 1950 deliveries to type 14 markets were placed under Government loan in contrast with 14 percent in the 1949 season.

Type 13 auction markets opened August 1 and the crop in the South Carolina and Border North Carolina belt was 4 percent larger than in 1949. Yields per acre averaged the highest on record; and total outturn was exceeded only in 1946 and 1947, when acreages were larger. Prices received for gross sales in type 13 markets averaged 6.3 cents per pound above the 1949 average and set a new record. Gross cash receipts were also the largest in history, even exceeding those for the record size 1946 crop. Only about 2 1/2 percent of total deliveries to type 13 markets was placed under Government loan in contrast to nearly 10 1/2 percent in the 1949 season.

Type 12 auction markets opened in mid-August and the crop in the Eastern North Carolina belt was one-eighth larger than in 1949. Yields per acre set a new record -- 7 percent greater than the previous high average obtained in 1948. Prices received for gross sales in type 12 markets averaged 7.7 cents per pound above those in 1949 and also higher than in any previous season. Gross cash receipts to growers in this belt also exceeded the previous high point set in 1946, even though the 1950 crop was 7 percent smaller than in that year. A little over 4 percent of the total 1950 deliveries to type 12 markets were placed under Government loan and much of the loan tobacco consisted of the better qualities. The quantity placed under Government loan in 1949 was slightly less than in the past season.

Type 11(b) auction markets open in late August. The crop in the Middle Belt was substantially larger than in 1949, mostly because of the record high average yield which was up almost one-fourth. The crop was of generally high quality. Prices received for gross sales in these markets averaged 8.4 cents per pound above those in the 1949 season and exceeded any previous year. Gross cash receipts from tobacco sold in these markets set a new high--about 15 percent above the total in the record 1946 season. Growers placed about 7 1/2 percent of their total deliveries under Government loan. Much of this was of the better qualities. In the 1950 season, about 12 million pounds of tobacco went under loan in these markets compared with 8 million in the 1949 season.

Type 11(a) auction markets opened in mid-September and the crop in the Old Belt was larger and also of better quality than in 1949. Yields per acre were at a record high. Prices received for gross sales in these markets averaged 7.9 cents per pound more than in 1949 season and higher than in any previous season. Gross cash receipts from tobacco sold in the Old Belt markets totaled the highest in history--nearly one-sixth above the total for the record amount in the 1946 season. Growers placed almost one-sixth more type 11(a) tobacco under Government loan in 1950 than in 1949. However, the proportion of total deliveries going under loan was about 12 percent compared with 14 percent in the 1949 season.

Domestic Use and Exports

During the current marketing year (July 1950-June 1951), the domestic use of flue-cured is likely to run some higher than the record total of 722 million pounds in 1949-50. The main outlet for flue-cured is in cigarettes, which in the first half of the 1950-51 marketing year were being consumed domestically at a 3 percent higher rate than in the same period a year earlier. The quantities of cigarettes going to overseas forces has also risen in comparison with the pre-Korean period. In the recent two marketing years, domestic requirements for flue-cured, mostly for cigarettes, were about 9 percent greater than the average for the last 2 years of World War II.

Exports of flue-cured from the United States in the current marketing year do not seem likely to reach the 446 million pounds (farm-sales weight) shipped in 1949-50. British purchases from the 1950 crop were smaller than in the 1949 season, and import restrictions imposed by the Republic of the Philippines probably will mean smaller shipments to that country than in 1949-50. However, the demand by foreign purchasers for the 1951 crop tobacco is expected to be strong, and exports in the 1951-52 marketing year are likely to exceed those for 1950-51. Stocks of United States flue-cured in foreign countries are low in relation to consumption requirements and cigarettes made with United States flue-cured are favored by consumers in many countries. The improvement in dollar reserves abroad is expected to be an important factor favoring some increase in United States tobacco exports.

During the first half of the 1950-51 marketing year (July-December 1950), about 297 million pounds (farm-sales weight) were expected from the United States compared with 304 million in the same period a year earlier. The higher prices paid for the 1950 crop are reflected in the average declared value per pound of flue-cured exports, which was 14 percent higher in July-December 1950 than in the corresponding period of 1949. The July-December 1950 exportation of flue-cured to the United Kingdom, the top ranking outlet, was 15 percent below that of July-December 1949 but the quantity going to Germany, the next ranking outlet, was 35 percent larger. Of the next four ranking foreign destinations, Ireland and Netherlands got less while Australia and Belgium got more. Other countries taking more were Denmark, Sweden, Switzerland, Austria, Indonesia, and Siam while those taking less included, Norway, Portugal, Egypt, India, New Zealand, Hong Kong, French Indochina, and Palestine.

Table 6.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(farm-sales weight)							
Year	Production	Stocks July 1	Supply	Disappearance 1/ Total	Domestic	Exports 2/ Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Av. 1934-38:	741	845	1,586	704	338	366	22.9
1939:	1,171	946	2,117	707	417	290	14.9
1940:	760	1,410	2,170	577	421	156	16.4
1941:	650	1,593	2,243	783	492	291	28.1
1942:	812	1,460	2,272	893	604	289	38.4
1943:	790	1,379	2,169	980	625	355	40.2
1944:	1,087	1,189	2,276	1,150	696	454	42.4
1945:	1,173	1,126	2,299	1,152	665	487	43.6
1946:	1,352	1,147	2,499	1,212	660	552	48.3
1947:	1,317	1,287	2,604	1,054	695	359	41.2
1948:	1,090	1,550	2,640	1,102	715	387	49.6
1949 2/:	1,115	1,538	2,653	1,169	723	446	47.2
1950 2/:	1,256	1,484	2,740				54.7

1/ Year beginning July 1. 2/ Subject to revision.

In calendar year 1950, the 114 million dollars were authorized by ECA for around 240 million pounds (estimated farm-sales weight) of flue-cured tobacco. Of this dollar total, approximately 68 million dollars was for the United Kingdom, 11 3/4 million for Germany, 11 1/2 million for Ireland, 6 1/2 million for Netherlands, 3 3/4 million for Denmark, 3 2/5 million for Norway, and between 2 1/2 and 3 million each for Belgium and France (including territories). Other countries receiving smaller amounts were Austria and Italy. It was announced in December that the Marshall Plan aid to the United Kingdom would be suspended on January 1, 1951. The progress of economic recovery of Britain and the sterling area as a whole made the suspension of economic aid possible; but it was not a termination, and if necessary, reconsideration can be given at a later date. The stronger dollar position of Britain is expected to enable her to more nearly import the quantities of United States tobacco that she requires. The United Kingdom requirements for United States tobacco are expected to be substantially below usings prior to World War II but there is not likely to be much further shift to tobacco from Commonwealth areas in the next few years. Thus, the requirements for United States tobacco should become more stable than since the end of World War II.

Flue-Cured Supplies

The 1950 crop of flue-cured of 1,256 million pounds plus carry-over stocks on July 1, 1950, of 1,484 million pounds provide a total supply of 2,740 million pounds for 1950-51--3 percent above the 1949-50 level. The 1950 crop exceeded the 1949 crop by nearly 13 percent, due mostly to the record-breaking average yield per acre. The harvested acreage was only 2 percent larger. The increased production more than offset the 4 percent decrease in carry-over.

The 1951 marketing quota proclaimed in late November, when converted to acreage, resulted in allotments about 9 percent larger than in 1950. In late February, the Secretary of Agriculture announced a further increase. This will result in an over-all increase in total acreage allotted between 14 and 15 percent compared with 1950. If the 1951 harvested acreage turns out to be 14 to 15 percent above that in 1950 and yields per acre should equal the average of the most recent 5 years, the 1950 production of flue-cured would approximate 1,330 million pounds. A crop of this size plus an estimated carry-over on July 1 of about 1,560 million pounds, would provide a total supply of about 2,890 million pounds for 1951-52. Supplies at this level would be above those for any previous year, but in relation to the greater domestic and export requirements in prospect for 1951-52, they would not be large.

1951 Price Supports

Price supports for flue-cured tobacco are based on 90 percent of parity at the beginning of the marketing year (in effect, the parity for June 15). The January 15, 1951, parity for flue-cured is 54.1 cents--8 percent higher than the June 1950 level. Ninety percent of the January 15 parity is 48.7 cents per pound. A further advance in the parity index (prices paid by farmers, interest, taxes, and wage rates) by next June will mean a further rise in the flue-cured parity. Flue-cured parity as of next June will probably be a little above last season's crop average of 54.7 cents per pound.

BURLEY, TYPE 31

Burley Prices Average
Above Last Season

Burley auction markets opened November 30, and by late February, practically all of the 1950 crop had been sold for an average of 48.8 cents per pound. This is 3.6 cents or 8 percent higher than the average price received for the 1949 crop. It also slightly exceeds the record 1948 crop average of 48.5 cents per pound. The 1950 crop, estimated at 499 million pounds, was 11 percent smaller than the preceding year's and, on the average, offerings were of lower quality than a year earlier. Demand was fairly strong, principally because of the continued large requirements for cigarette manufacture. Most Burley goes into cigarettes although sizable quantities are used in smoking and chewing tobacco and also exported. Approximately 55 percent of the crop was sold before the December 21 closings for the holiday for an average of 48.2 cents per pound. The sales during the first 2 weeks of January brought a general average of 51.1 cents per pound, but the weekly average price declined later in the month and in February as the selling season neared its end.

The 1950 Burley crop price support was 45.7 cents per pound—90 percent of the Burley parity for September 15 as determined September 29. (The September index of prices paid, wage rates, interest, and taxes was revised in October, but the originally calculated September parity was the basis for the support price determination.) The 1950 crop price support exceeded the 1949 level by 13 percent, due in part to the higher base price and in part to the rise in the parity index between September 1949 and September 1950. Growers placed approximately 44 million pounds or 9 percent of total deliveries under Government loan during the 1950 season. This was more than in the 1949 season, when 39 million pounds or 7 percent of the crop went into Government loan. Government loan stocks of Burley from crops prior to 1950 were substantially reduced over the past year. Total loan stocks on February 1, 1951, were about 106 million pounds as against total receipts of approximately 365 million pounds during the five seasons, 1946 through 1950.

1950-51 Burley Supplies
Below 1949-50 Record High

The 499 million pound crop of 1950 when added to the carry-over of 996 million pounds on October 1, provided a total supply for 1950-51 of 1,495 million pounds—2 1/2 percent lower than the record level for the 1949-50 marketing year. The carry-over at the outset of the 1950-51 marketing year was the highest in history, but the decrease in production from 1949 to 1950 reduced the total supply below that for a year earlier.

The 1951 Burley marketing quota proclaimed in late November, when converted to acreage, resulted in an increase of approximately 5 percent in the acreage allotment compared with 1950. In late February, the Secretary announced an additional increase of about 7 percent in the 1951 Burley acreage allotment. This is expected to result in roughly between 12 and 13 percent larger harvested acreage in 1951 than in 1950. If 1951 yields are near the 1946-50 average, the 1951 outturn would be approximately 570 million pounds. A crop of this size would exceed the 1950 crop by around 14 percent and, together with the probable carry-over next October,

would give total supplies of 1,520 million pounds for 1951-52--a little above the level for the current year.

Table 7.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(farm-sales weight)							
Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Av. 1934-38:	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949 2/	560	974	1,534	538	497	41	45.2
1950 2/	499	996	1,495				3/ 48.8

1/ Year beginning October 1.

2/ Subject to revision.

3/ Auction market average.

Domestic Use and Exports

The continued large consumption of cigarettes will be the major factor in keeping domestic use of Burley high in the current marketing year. Domestic use in 1949-50 was a record 497 million pounds--only about 1 1/2 percent above the previous year but around 11 percent above the average of the 2 peak years of World War II. The 1950-51 use of Burley in the manufacture of smoking and chewing tobacco products may show a gain over 1949-50. In the first 2 months of the current marketing year (October-November), output of smoking tobacco and plug chewing were up 3.8 and 1.5 percent, respectively over that of the same months a year earlier.

During the marketing year October 1949-September 1950, exports of Burley from the United States totaled 41 million pounds (farm-sales weight). This was only a little below the 1948-49 level and exceeded all prior years except 1946-47, when Burley exports totaled 50 million pounds. In 1949-50 Germany took about 9 percent less than in 1948-49 but accounted for about 30 percent of the total Burley shipped to foreign destinations. Of the next 4 ranking foreign outlets, Belgium, Netherlands, and Sweden took substantially more than a year earlier but Portugal got less. These 4 countries together with Germany, accounted for about three-fourths of total Burley exports in 1949-50. Among other foreign destinations, Austria and Switzerland took more but Denmark, Norway, Egypt, United Kingdom, Mexico, and Argentina took less.

During the first quarter of the 1950-51 marketing year (October-December 1950), Burley exports totaled about 9 million pounds (farm-sales weight) compared with 7 million pounds in the same period a year earlier. The largest quantities in the recent period went to Sweden, Germany, Mexico, Belgium, and Norway. Total Burley exports may be a little larger for this marketing year as a whole than in 1950-51. The improved dollar exchange position in some foreign areas will be a favorable factor, and Burley tobacco is required for the manufacture abroad of the popular American-blended type cigarettes.

In calendar year 1950, about 10 million dollars were authorized by ECA for approximately 29 million pounds (estimated farm-sales weight) of Burley tobacco. Of this money, about 2.9 million dollars was for Germany, 1.6 million for Netherlands, 1.3 million for Austria, 1.1 million for Belgium, around .8 million each for Denmark, Norway, and France (including French territories), and close to .4 million each for Italy and the United Kingdom.

1951 Price Supports

Price supports for Burley tobacco is based on 90 percent of parity at the beginning of the marketing year (in effect, as of September 15, 1951). The adjusted base price for Burley parity price computations in 1951 has not yet been officially published. Based on available auction market price data, it is estimated that the January 15 parity for Burley was approximately 3 percent higher than the Burley parity computed last September. A further advance in the parity index (prices paid by farmers, interest, taxes, and wage rates) by next September will mean a further rise in the Burley parity. The price support for the 1951 crop seems likely to be somewhere between 5 and 10 percent above the price support applying to the 1950 crop.

MARYLAND, TYPE 32

Record Supplies

In each of the past 2 years, Maryland tobacco production has exceeded total disappearance by 4 to 5 million pounds, and the 1950-51 total supply of this type at close to 100 million pounds is larger than for any previous marketing year. The December estimate of the 1950 production was 40 million pounds—1 1/4 million pounds below the 1949 crop. The 1950 harvested acreage, estimated at 50,000, equaled the high 1949 acreage but yields per acre averaged a little lower. The October 1, 1950, carry-over was at a record high—nearly 60 million pounds compared with 54 million a year earlier.

Growers Disapprove Quotas;
No Price Support on 1951 Crop

On November 27, 1950, in accordance with the applicable legislation, a quota was proclaimed for the 1951 crop of Maryland tobacco because the actual supplies exceeded the reserve supply level. (The reserve supply level is "normal supply" plus an additional 5 percent.) The conversion of the quota to acres gave about 48,000 acres as an approximate total allotment for 1951. A marketing quota cannot become effective unless approved by two-thirds of the growers voting in a referendum. In the referendum held on December 20, growers disapproved quotas on Maryland tobacco with 62.8 percent of the votes against while 19.1 percent favored quotas for 1 year and 18.1 percent favored quotas for 3 years. Since quotas were rejected on the 1951 Maryland crop, Government price support will not be in effect for that crop. This follows the provision of the law which states that no price support will be available for any crop for which marketing quotas are disapproved. When a tobacco marketing quota is in effect, the level of price support is mandatory at 90 percent of parity (except fire-cured, dark air-cured, and Virginia sun-cured where a fixed relationship to the Burley loan rate is prescribed). Parity for Maryland tobacco as of January 15 was 58.5 cents per pound. Tobacco prices to growers of the Maryland type are not under ceilings. The legal minimum below which no ceiling on Maryland tobacco may be established is the parity price, according to the January determination by the Secretary. Ceilings in effect at processor levels and beyond are subject to the "parity adjustment" provisions of the general freeze order.

Price Support for 1950 Crop

Government price support will be in effect on the 1950 crop, which will be auctioned during the late spring and summer of this year. The support level for the 1950 Maryland crop is based upon the sliding scale formula contained in the 1949 Agricultural Act. This formula provides that when the estimated total supply is more than 108 but not more than 110 percent of the normal supply, the level of support shall be not less than 86 percent of the parity price. The parity price of Maryland as computed in September 1950 was 56.5 cents per pound, and the support level at 86 percent of this is 48.6 cents.

Last year, the auctions opened on May 2 and closed on August 10. About 35 3/4 million pounds of the 1949 crop went to auctions last season and averaged 47.5 cents per pound--12 percent less than a year earlier. The support level last season was 41.8 cents per pound, and 2.6 million pounds were placed under Government loan by growers. In addition, about 5 1/2 million pounds of Maryland tobacco were sold in the Baltimore hogshead market last season. In mid-August 1950, it was reported that around 3 to 3 1/2 million pounds of the 1949 crop were still in the hands of growers and would be carried over until the next season.

Domestic Use and Exports

Domestic use of Maryland tobacco (mostly in cigarettes) during the marketing year ending last September 30 totaled 28.0 million pounds--slightly above a year earlier. The 1950-51 domestic use may be slightly larger since consumption of cigarettes is likely to show a further gain.

The October 1949-September 1950 exports of Maryland were 7.4 million pounds (farm-sales weight)--about one-fifth lower than those of a year earlier but still the second highest since 1933-34. Although Switzerland took more than two-thirds of the total in 1949-50, it was 23 percent less than in 1948-49. Among the other foreign destinations, Netherlands, Belgium, France, Tunisia, Algeria, and United Kingdom got more but Germany, French Morocco, and Austria got less. During the first quarter of the 1950-51 marketing year (October-December 1950), exports of Maryland tobacco totaled 1.8 million pounds (farm-sales weight) compared with 2.3 million in the same months a year earlier. Most of the recent shipments went to Switzerland and smaller quantities went to Germany and Belgium.

ECA authorizations for Maryland tobacco during 1950 were about 430,000 dollars for something over a million pounds. Germany, Netherlands, and French North Africa accounted for most of this, but Denmark, Belgium, and Norway also got some.

Table 8.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

Year	(farm-sales weight)						
	Pro- duction	Stocks Oct. 1	Supply	Disappearance 1/		Exports 2/	Average price per pound
				Total	Do- mestic		
				2/	2/		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Av. 1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4
1949 2/	41.0	54.0	95.0	35.2	27.8	7.4	48.5
1950 2/	40.0	59.8	99.8				

1/ Year beginning October 1.

2/ Subject to revision.

FIRE-CURED, TYPES 21-24Virginia Prices Average Above
Last Season, Others Lower

Virginia fire-cured (type 21) auctions began in late November and closed in the last half of February. The average auction price for the season was about 36.4 cents per pound--3.1 cents higher than the season average for the 1949 crop. The season average price for the 1950 crop is a new record high. Demand was strong throughout the season with prices for sales following the holidays averaging a little higher than in the pre-holiday period. Growers of Virginia fire-cured tobacco placed about 2.2 million pounds or 18 percent of total deliveries under Government loan.

Auctions for Kentucky-Tennessee fire-cured (types 22-23) opened in the fourth week of January. This was later than usual and was due to weather conditions, which delayed the preparations for marketing. The Eastern District tobacco (type 22) averaged 31.3 cents per pound and Western District tobacco (type 23) averaged 25.8 cents per pound for sales through February 19. These prices are about the same as for the early season sales last year. Individual grade prices were higher but larger proportions of inferior quality offerings held the general averages near last season's level. A substantial proportion of Kentucky-Tennessee fire-cured was being received under Government loan. Approximately 2 million pounds or 18 percent of total deliveries had gone into Government loan by around mid-February. Government loan stocks of fire-cured tobacco from the previous crops as of February 1 totaled about 62 million pounds (farm-sales-weight equivalent).

The 1950 crop price support for fire-cured (computed at 75 percent of the Burley loan level) is 34.3 cents per pound--4.1 cents above that in effect for the 1949 crop.

Total Supply Down 3 Percent

Total supplies of fire-cured tobacco for 1950-51 at 222 million pounds are 3 percent less than for 1948-49. Production in 1950 was a little less than 58 million pounds, about one-fifth smaller than in 1949. The 1950 Virginia fire-cured (type 21) crop at 12 1/2 million pounds was near the level of each of the past 2 years. The type 21 yield per acre averaged the highest in history and was enough higher than last year to offset the decrease in acreage. The total fire-cured acreage allotment in 1950 was about 13 percent smaller than in 1949 and the Kentucky-Tennessee (types 22-23) crops were also reduced as the result of the adverse weather conditions. Eastern District fire-cured (type 22) production was about 33 million pounds, down 22 percent from 1949, and Western District fire-cured (type 23) at 12 million pounds was down 29 percent. The carry-over of fire-cured on October 1, 1950, totaled nearly 165 million pounds--up nearly 5 percent from a year previous. Stocks of each of the three major fire-cured types rose by about this percentage.

The 1951 acreage allotment for fire-cured tobacco is about 57,100 acres--practically the same as in 1950, when allotments totaled 56,700 acres. If growers harvest about the same proportion of allotted acreage as in 1950 and yields per acre are near the 1946-50 average, the 1951 crop would be approximately 60 million pounds. Carry-over next October 1 is expected to be around 152 million pounds and total supplies for 1951-52 seems likely to be about 212 million pounds. Such a supply, although a little lower than for the current year, would appear to be ample to meet foreseeable needs.

Domestic Use and Exports

Total disappearance of fire-cured in the year ending September 30, 1950, was a little over 64-1/2 million pounds--18 percent lower than in the preceding year and next to the smallest on record. Domestic use in 1949-50 at 35-1/2 million pounds was about the same as in 1948-49. The major domestic use of fire-cured is in snuff manufacture, and an increase in snuff output during the next year or two may raise the domestic use of fire-cured. The decrease in total disappearance from 1948-49 to 1949-50 was the result of the sharp decline in exports, which fell from 43 million pounds (farm-sales weight) to 29 million. The 1948-49 exports were higher because of the Government export subsidy program then in effect. The shift to lighter tobacco, primarily for cigarettes, on the part of foreign countries formerly taking larger quantities of fire-cured has been a factor over the longer term in reducing United States exports of fire-cured tobacco. Also, the considerably higher prices in recent years for this kind of tobacco has probably tended to reduce purchases by foreign countries. Increases in foreign production of fire-cured have occurred since the pre World War II period.

Table 9.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50
(farm-sales weight)

Year	: Production :	: Stocks :	: Supply :	Disappearance 1/			Average
				Total	Domestic	Exports	
		Oct. 1		2/	2/	2/	price per
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	pound
							Cents
Average							
1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	54.5	16.7	23.4
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	85.8	143.4	229.2	66.6	36.3	30.3	29.5
1948	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949 2/	72.1	157.2	229.3	64.6	35.5	29.1	29.8
1950 2/	57.7	164.7	222.4				

1/ Year beginning October 1.

2/ Subject to revision.

During October 1949 -September 1950, the 6 top-ranking foreign outlets for Kentucky-Tennessee fire-cured were France, Netherlands, Belgium, Switzerland, United Kingdom, and Sweden; and all took considerably less than in 1948-49 except Belgium and the United Kingdom, who took practically the same amount. Among other countries taking Kentucky-Tennessee fire-cured, Germany, Norway, and Ireland got less, Denmark, about the same, while Portugal, French Morocco, Egypt, and Gold Coast got more than a year earlier. In 1949-50 approximately one-fourth of the Virginia fire-cured exports went to Norway, but this was substantially less than in 1948-49. Although the United Kingdom, Denmark, Switzerland, and Australia each took more Virginia fire-cured in 1949-50 than a year earlier, the Netherlands, Sweden, Germany, Austria, Belgium, and New Zealand each took much less.

In the first quarter of the 1950-51 marketing year (October-December 1950), exports of fire-cured tobacco totaled about 9 1/2 million pounds (farm-sales weight) compared with 4 1/2 million pounds in the same period a year earlier. The principal increases over October-December 1949 occurred in shipments to Sweden, Switzerland, Norway and Denmark.

In calendar year 1950, ECA authorizations totaled about 10.8 million dollars for roughly 32 million pounds (farm-sales weight) of fire-cured tobacco. Of the dollar total, about 41 percent was for France, 13 percent for Norway, 10 percent for Netherlands, and the remainder went to the United Kingdom, Ireland, Germany, Italy, Denmark, Belgium, and Austria.

1951 Price Support

The support level for the 1951 crop of fire-cured tobacco is expected to be higher because of the continued advance in the parity index. The price support for these types is calculated at 75 percent of the Burley loan level, which in turn, is based on 90 percent of the Burley parity price as of the beginning of the marketing year (in effect, as of September 15). Based on auction market price data, it is estimated the Burley parity in January 1951 was around 3 percent above that computed last September.

DARK AIR-CURED, TYPES 35-37

Average Prices Below Last Season, Except for Type 37

Auctions for Virginia sun-cured (type 37) opened in late November and for one Sucker (type 35) and Green River (type 36), in the second week of December. Prices for Virginia sun-cured tobacco for the season through late February averaged 33.7 cents per pound 8 percent higher than the 1949 season's average price and second only to the record average of 1943. Marketings of the 1950 crop of the Kentucky-Tennessee dark air-cured began later than usual and much less was marketed in the pre-holiday period than in 1949. The average price for One Sucker sales through February 17 was 33.6 cents per pound compared with the 1949 season average of 27.9 cents. Although most grade prices were higher, the larger proportion of lower quality tobacco pulled the general average price considerably below last season's. About the same situation prevailed in the Green River type and the 1950 season average price for sales through February 19 was 22.8 cents per pound compared with the 1949 crop average of 27.8 cents.

The 1950 crop price support level for dark air-cured tobacco (computed at 66 $\frac{2}{3}$ percent of the Burley loan level) is 30.5 cents per pound compared with 26.9 cents in the 1949 season. The support price is broken down into a schedule of grade prices, and the larger than normal quantities falling in the lower grades reduced the average price received by growers below the average loan level.

For the season through early February, approximately 20 percent of One Sucker deliveries and 11 percent of Green River deliveries were placed under Government loan by growers. Deliveries of Virginia sun-cured for Government loan were very few. Government loan stocks of dark air-cured tobacco from previous crops as of February 1, 1951 totaled about 23 million pounds (farm-sales-weight equivalent).

1950-51 Supplies About

Same as 1949-50

Dark air-cured tobacco supplies for 1950-51, at a little over 110 million pounds, are about the same as in 1949-50 and except for 1948-49, above those for any year since the mid-1930's. The carry-over of the dark air-cured types on October 1, 1950, at almost 80 million pounds was 8 percent higher than a year earlier and the largest since 1932. Stocks of types 35 and 36 rose but those of type 37, were down slightly.

Table 10.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50.

(farm-sales weight)							
Year	Production:	Stocks:	Supply	Disappearance 1/	Average		
		Oct. 1		Total	Domestic	Exports	price per
					2/	2/	pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Av. 1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939	44.2	56.1	100.3	34.7	27.3	7.4	7.3
1940	42.5	65.6	108.1	33.7	29.0	4.7	7.7
1941	31.5	74.4	105.9	41.9	38.9	3.0	12.0
1942	35.2	64.0	99.2	33.9	29.8	4.1	15.2
1943	30.0	65.3	95.3	37.6	34.4	3.2	27.2
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.9	23.1	14.8	28.7
1949 2/	35.9	74.1	110.0	30.2	24.0	6.2	28.2
1950 2/	30.6	79.8	110.4				3/ 24.7

1/ Year beginning October 1.

2/ Subject to revision.

3/ Auction average through February 21.

The 1951 acreage allotment for types 35-36, grown mainly in Kentucky-Tennessee, is about 26,800 acres and for type 37 grown entirely in Virginia, is about 4,350 acres. These allotments are approximately the same as in 1950. If farmers harvest about the same proportion of the 1951 tobacco acreage allotment as in 1950 and yields per acre are near the recent 5-year average, the 1951 outturn would be roughly 33 million pounds. This, together with a probable carry-over of around 80 million pounds next October 1, would give a total supply of 113 million pounds for 1951-52 -- a little more than the 110 million for the current year and an ample quantity to meet requirements.

Domestic Use and Exports

Total disappearance of dark air-cured tobacco in the year ending September 1950 was a little over 30 million pounds -- down sharply from the preceding year and the smallest on record. The drop occurred in types 35-36 while type 37 had a larger disappearance. The severe decline in exports accounted for the lower total disappearance inasmuch as domestic use at 24 million pounds was about 1 million pounds more than a year earlier. The major outlet for dark air-cured is in chewing tobacco; and with some increased consumption likely as the result of stepped-up employment in defense plants where smoking is prohibited, domestic use of dark air-cured in 1950-51 may be a little larger than in 1949-50.

Exports of dark air-cured tobacco fell from 14 3/4 million pounds in 1948-49 to about 6 1/4 million pounds in 1949-50. In 1948-49 the Government export subsidy was a factor in raising dark air-cured exports above the usual level. Exports of One Sucker and Green River leaf were each down by about 66 percent and exports of Black Fat dropped 37 percent. The largest single destination for One Sucker in 1948-49 was France, but none went there in 1949-50. Nigeria took the most in 1949-50 -- slightly more than in 1948-49. Belgium took considerably more but Netherlands, French Morocco, Algeria, Tunisia, and Liberia took less. France and Netherlands were the principal foreign outlets for Green River tobacco in 1948-49 but neither got any in 1949-50. Belgium got considerably more Green River tobacco in 1949-50 than in the previous year and also more than any other country. The United Kingdom was the next ranking outlet but took less than in 1948-49, while Liberia accounted for most of the remainder and more than doubled her 1948-49 takings.

Nigeria, although taking approximately one-half of the total 1949-50 Black Fat exports, got 22 percent less than in 1948-49. The next ranking outlet was the Gold Coast, which also took less than in the earlier year. Other less important outlets include French Equatorial and West Africa and Western Portuguese Africa.

During the first quarter of the 1950-51 marketing year (October-December 1950), One Sucker exports continued lower than in the same period a year earlier; but exports of Green River and Black Fat were between 45 and 50 percent higher.

1951 Price Support

The support level for the 1951 crop of dark air-cured is expected to be higher because of the continued advance in the parity index. The price support for these types is calculated at 66 2/3 percent of the Burley loan level which in turn, is based on 90 percent of the Burley parity price as of the beginning of the marketing year (in effect, as of September 15). Based on auction market price data, it is estimated the Burley parity on January 1951 was around 3 percent above that computed last September.

CIGAR TYPES 41-62

Filler and Binder Supplies

The 1950-51 total supply of Pennsylvania and Ohio filler, types 41-44, is 216 million pounds--over 7 percent larger than for 1949-50 and the largest since 1942-43. The 1950 production of Pennsylvania filler estimated at nearly 61 million pounds was 2 to 3 million pounds larger than in 1949, while the Ohio filler crop at over 11 million pounds was about the same as in 1949. The carry-over of Pennsylvania filler on October 1, 1950, at nearly 116 million pounds, was about 10 million pounds greater than a year earlier and exceeded that for every previous October 1 back to 1926 except in 1932 and 1942. The carry-over of Ohio filler on October 1, 1950, was 28 million pounds -- 8 percent larger than a year earlier.

The 1950-51 total supply of cigar binder tobacco, types 51-55, is nearly 202 million pounds--almost 9 percent larger than for 1949-50 and the largest since 1940-41. The 1950 crop for all binder types combined, estimated at 66 1/2 million pounds, was 7 percent greater than in 1949 and the fourth largest since 1932. For the Connecticut Valley types, the 1950 Broadleaf and Havana Seed crops were estimated as being 19 and 5 percent larger than in 1949, respectively,-- the largest since the early 1930's. Production of the Southern Wisconsin type increased 6 1/2 percent from 1949 to 1950 and for the Northern Wisconsin type, was slightly higher. The October 1, 1950, carry-over for the combined binder types was near 135 million pounds--almost 10 percent above a year earlier and was the highest for any October since 1942. The sharpest relative increases in stocks from October 1949 to October 1950 occurred in Connecticut Valley Havana Seed, 26 percent, and Northern Wisconsin, 16 percent. Connecticut Broadleaf stocks were up 4 1/2 percent while Southern Wisconsin stocks were practically the same, and the comparatively small New York-Pennsylvania Havana Seed Stocks declined.

1951 Cigar Filler and
Binder Quotas

On November 28, 1950, marketing quota proclamations were issued on continental filler and binder types for the first time. The 1938 Agricultural Adjustment Act, as amended, classifies these types into two groups -- cigar filler (type 41) and cigar filler and binder (types 42-56). Very little, if any, Georgia-Florida sun-grown (type 56) is now grown. As permitted by the legislation, Puerto Rican tobacco (type 46) was excluded from the combined total of cigar filler and binder since the supply of this type did not place it in a quota position. Marketing quotas cannot go into effect unless they are approved by at least two-thirds of the growers voting in referenda. Two separate referenda were held on December 20, one for cigar filler (type 41) grown in Pennsylvania and one for cigar filler and binder (types 42-44 and 51-55 combined) grown mainly in Ohio, Connecticut, Massachusetts, and Wisconsin and smaller amounts in New York, Pennsylvania, and Minnesota. In the cigar filler (type 41) referendum, about 78 percent of the growers voting disapproved quotas applicable to the 1951 crop. In the other referendum for the combined cigar filler and binder types, 66.8 percent of all the voting growers approved a quota applicable to the 1951 crop. Growers voting favored quotas in Wisconsin and Massachusetts by 77 and 82 percent, respectively, while in Ohio and Connecticut, about 44 and 50 percent, respectively, voted approval.

Table 11.- Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(farm sales weight)					
Year and type	Production	Stocks October 1	Supply	Disappearance year beginning October 1	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Total filler types 41-44 2/					
Average 1934-38	48.9	159.9	208.8	54.4	10.4
1939	63.1	141.9	205.0	54.0	11.7
1940	64.7	151.0	215.7	58.7	12.0
1941	71.2	157.0	228.2	61.4	12.5
1942	53.8	166.8	220.6	67.0	13.2
1943	47.0	153.6	200.6	55.2	18.6
1944	58.8	145.4	204.2	61.3	19.5
1945	49.9	142.9	192.8	64.0	34.0
1946	64.4	128.8	193.2	71.0	32.8
1947	63.2	122.2	185.4	61.7	30.6
1948	70.8	123.7	194.5	62.6	25.8
1949 3/	69.1	131.9	201.0	57.2	26.2
1950 3/	71.9	143.8	215.7		
Total binder types 51-56					
Average 1934-38	41.8	165.1	206.9	60.5	12.5
1939	63.3	116.6	179.9	45.0	16.6
1940	67.9	134.9	202.8	66.1	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.2	137.9	193.1	66.4	20.4
1943	51.0	126.7	177.7	69.2	30.3
1944	57.2	108.5	165.7	63.4	30.9
1945	62.1	102.3	164.4	60.9	47.7
1946	73.8	103.5	177.3	53.6	52.7
1947	70.3	123.7	194.0	68.2	43.4
1948	59.7	125.8	185.5	62.3	41.2
1949 3/	62.0	123.2	185.2	50.1	36.0
1950 3/	66.5	135.1	201.6		
Total wrapper types 61-62					
Average 1934-38	8.4	11.8	20.2	9.3	78.3
1939	11.4	10.1	21.5	7.9	67.7
1940	9.5	13.6	23.1	10.4	77.6
1941	10.1	12.7	22.8	9.6	98.4
1942	9.2	13.2	22.4	9.4	132.1
1943	10.0	13.0	23.0	8.7	167.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	197.3
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949 3/	17.1	16.6	33.7	14.3	202.0
1950 3/	14.0	19.4	33.4		

1/Stocks and disappearance for types 56, 61, and 62 are as of July 1. 2/A small quantity of type 45 for 1939 and 1940 not included. 3/Subject to revision.

As the result of the rejection of quotas on Pennsylvania cigar filler (type 41), acreage allotments will not be in effect on the 1951 crop and Government price support cannot be made available on that crop. On the other hand, with the approval of quotas on the combined cigar filler and binder (types 42-44 and 51-55), acreage allotments on the 1951 crop will be established and price support at 90 percent of parity for the 1951 crop is mandatory. The conversion of the poundage quota to acres for cigar filler and binder (types 42-44 and 51-55) on the basis of 1945-49 yields results in about 47,000 acres. The harvested acreage in 1950 is estimated at 49,400.

Cigar Filler and Binder Disappearance

The total disappearance of cigar filler and binder in 1950-51 is expected to exceed the 1949-50 level. Cigar consumption seems likely to be larger and scrap chewing may absorb a little more. In the last quarter of 1950 (which coincides with the first quarter of the filler and binder marketing year), cigar consumption was indicated at 3 percent above the same period of the preceding year.

The disappearance of continental cigar filler in the marketing year ending September 30, 1950, was about 57 million pounds--about 9 percent less than in 1948-49. All of the decline occurred in Pennsylvania filler while the Ohio filler disappearance was slightly larger. Exports of continental filler are relatively small. The disappearance of Puerto Rican filler (type 46) was also smaller in 1949-50 than in 1948-49. Approximately one-fifth of the total disappearance of Puerto Rican tobacco in 1948-49 was accounted for by exports but in 1949-50, exports of this type were sharply lower. Principal foreign destinations for cigar filler exports in 1949-50 were French North Africa, Germany, and the Philippine Republic.

The disappearance of cigar binder tobacco during October 1949-September 1950, at around 50 million pounds, was considerably less than in the preceding year and the smallest in the past 10 years. Disappearance of each of the individual types except the Southern Wisconsin (type 54) fell below that of a year earlier. Domestic use of cigar binder leaf during 1949-50 showed a moderate decline from that in 1948-49. Domestic consumption of cigars in the marketing year ending last September 30 was 2 percent below that of a year earlier; and output of scrap chewing, an outlet for lower grades of binder, dropped about 3 1/2 percent. The main factor contributing to the decrease in binder as a whole was the decline in exports, which were only a little more than one-fourth as large as the unusually big amount in the preceding year. In 1949-50 cigar binder exports accounted for only about 6 percent of total disappearance whereas in 1948-49, they accounted for nearly 18 percent. Principal foreign destinations were Germany, Belgium, Denmark, and Netherlands.

ECA authorizations for cigar tobacco for calendar year 1950 totaled about 3.9 million dollars, with a major share going to Germany and smaller amounts to Denmark, Belgium, Netherlands, French North Africa, Austria, and Norway.

Price Supports for
1950 Crop

In early December, price support levels for the 1950 crops of the various cigar tobacco types were announced. In accordance with the 1949 Agricultural Act, the 1950 crop loan levels were based on the sliding scale formula except for type 41. The relationship of the actual supply of cigar filler and binder (types 42-55) to its "normal supply," as defined in the legislation, resulted in a price support level at 86 percent of parity. The type 41 support level was also established at 86 percent of parity so as to support this type in line with levels of the other types. The 1949 crop had a price support level at 90 percent of parity. Because of the higher base prices under the new parity formula and also the rise in the parity index, the 1950 crop price supports are above the 1949 average loan levels with one exception. The 1950 Puerto Rican tobacco support level is lower than for 1949 because, with the change in parity formula, a more recent base period for inter-type price relationships became effective. The prices for Puerto Rican tobacco were lower relative to prices for other cigar tobacco types in more recent years than in the earlier years used under the old formula. The 1949 season average prices and 1949 and 1950 crop price supports for the cigar types are as follows:

<u>Type and type number</u>	1949	1949 av.	1950 av.
	season av.	loan	loan
	price	level	level
	Ct. per lb.	Ct. per lb.	Ct. per lb.
Pa. Seedleaf filler (41)	26.4	20.1	25.2
Miami Valley (Ohio filler (42-44)	25.0	18.3	23.6
Puerto Rican filler (46)	20.0	31.5	29.0
Conn. Valley Broadleaf binder (51)	53.0	40.6	49.0
Conn. Valley Havana Seed binder (52)	41.9	42.9	49.5
N. Y. and Pa. Havana Seed binder (53)	22.0	24.2	25.5
Southern Wis. binder (54)	22.8	19.8	24.1
Northern Wis. binder (55)	28.5	25.7	30.0

In the Connecticut Valley, approximately 93 percent of the 1950 Broadleaf crop and 65 percent of the 1950 Havana Seed crop had been acquired by dealers as of February 1, 1951. Broadleaf prices for crops sold in the bundle, representing 17 percent of the 1950 Broadleaf crop, averaged about 47 cents per pound, 11 percent lower than the average 1949 bundle prices. Bundle prices for crops reasonably free from injury averaged 49 cents per pound while crops sold during January, 1951, that had suffered some injury averaged 42 cents per pound. Most of the Broadleaf crop was sold on a sorted basis for which average prices are not yet available. Havana Seed prices for the 1950 crop averaged 43 cents per pound for sales through February 1, about 3 percent lower than the comparable average in the 1949 season. Havana Seed prices in the early 10 days of the marketing season averaged 48 cents per pound, but as the marketing season advanced average prices fell to 42 cents and later to 37.5 cents per pound. This average of 37.5 cents prevailed on the country buying market both prior to the start of the Government loan program and during its first month of operation. Havana Seed

growers placed nearly 2-1/2 million pounds of tobacco under Government loan during January, 1951, and deliveries are expected to continue until mid-March. The tobacco, when graded out, has had an average loan value of about 40 cents per pound. A negligible quantity of Broadleaf has been placed under loan and very little more is expected.

In Wisconsin, some of the Northern Wisconsin (type 55) was sold in January but sales of Southern Wisconsin had not started by late January. In Pennsylvania, it was reported that roughly one-third of the crop was believed sold by early February and probably averaged a little above the 1949 season price of 26.4 cents per pound. Loan operations had not yet started in either Wisconsin or Pennsylvania by February 1.

In connection with the 1949 crop, Government loans were made on 4 million pounds of binder, mostly Connecticut Valley Havana Seed, and on 9.3 million pounds of Puerto Rican filler.

Cigar Wrapper Tobacco

Cigar wrapper (types 61-62) supplies for 1950-51 total 33.4 million pounds compared with 33.7 million for the 1949-50. The 1950 production of Connecticut shade-grown wrapper (type 61) at 8.2 million pounds was 26 percent lower than in 1949 and the lowest in 5 years. The 1950 harvested acreage was sharply lower and yield per acre showed a slight drop. The 1950 crop of Georgia-Florida shade-grown wrapper (type 62) at 5.8 million pounds was down about 3 percent but was still the second largest on record. Type 62 acreage in 1950 was up slightly, but yield per acre was a little less than in 1949. The carry-over of type 61 last July was 13.6 million pounds and of type 62, was 5.9 million pounds, and in each case, substantially above a year earlier.

The 1949-50 disappearance of cigar wrapper was 14.3 million pounds--1.3 million pounds more than in 1948-49--with practically all the gain in type 61. Domestic use fell off, but the increase in exports raised the total disappearance higher than in 1948-49. Most of the exports of wrapper went to Germany and Belgium. Netherlands and Denmark were other foreign destinations. During the last half of 1950, domestic use of cigar wrapper was probably above that of the same period of 1949 because more cigars were being produced; but the wrapper exports during the last half of 1950, were down about 70 percent from those in the same period a year earlier.

Price data on the 1950 crop of cigar wrapper is not yet available. The season average price received for the 1949 crop of Connecticut shade-grown (type 61) was \$2.05 per pound--29 percent less than that for the preceding crop. The season average price received for the 1949 crop of Georgia-Florida shade-grown (type 62) was \$1.95 per pound--20 percent less than for the preceding crop. The type 61 price was the lowest in 6 years, and the type 62 price was the lowest in 4 years. The 1949 season averages were well above their parities as then computed, but these parities were raised substantially by the new formula, and the 1949 average prices are below the parities as now computed. Government price support has not been available on types 61 and 62, inasmuch as the Agricultural legislation does not make provision for these two types.

Table 12.- Acreage of tobacco in the United States, by types, average 1934-38; annual 1949, 1950, and percentages

Type	1934-38		1949		1950		Percentage change	
	1934-38	1949	1949	1950	1950	1950	1934-38 to 1950	1949 to 1950
	Thou. acres	Thou. acres	Thou. acres	Thou. acres	Thou. acres	Percent	Percent	Percent
Total flue-cured, types 11-14:	863.1	935.4	954.5			+10.6	+2.0	
Old and Middle Belt, type 11	327.1	332.0	344.0			+5.2	+3.6	
Eastern North Carolina, type 12	296.6	304.0	307.0			+3.5	+1.0	
South Carolina, type 13	155.7	188.0	193.0			+24.0	+2.7	
Georgia and Florida, type 14	83.7	111.4	110.5			+32.0	-.8	
Total fire-cured, types 21-24:	135.2	60.4	53.1			-60.7	-12.1	
Virginia, type 21	23.1	10.7	9.8			-57.6	-8.4	
Kentucky and Tennessee, type 22	76.7	34.1	29.9			-61.0	-12.3	
Kentucky and Tennessee, type 23	32.4	15.5	13.3			-59.0	-14.2	
Henderson, type 24	3.0	.1	.1			-96.7	.0	
Burley, type 31	347.2	453.4	405.3			+16.7	-10.6	
Maryland, type 32	36.7	50.0	50.0			+36.2	.0	
Total dark air-cured, types 35-37:	42.0	32.1	29.0			-31.0	-9.7	
One Sucker, type 35	19.9	17.9	16.6			-16.6	-7.3	
Green River, type 36	18.8	10.2	9.2			-51.1	-9.8	
Virginia sun-cured, type 37	3.3	4.0	3.2			-3.0	-20.0	
Total cigar filler, types 41-44:	38.0	44.6	46.9			+23.4	+5.2	
Pennsylvania Seedleaf, type 41	23.4	37.6	39.1			+67.1	+4.0	
Miami Valley, types 42-44	14.6	7.0	7.8			-46.6	+11.4	
Total cigar binder, types 51-56:	2/ 29.9	39.2	41.6			+39.1	+6.1	
Connecticut Valley Broadleaf, type 51	7.2	9.0	10.1			+40.3	+12.2	
Conn. Valley Havana Seed, type 52	5.4	8.7	9.0			+66.7	+3.4	
N. Y. and Pa. Havana Seed, type 53	.7	1.0	1.0			+42.9	.0	
Southern Wisconsin, type 54	8.9	8.5	9.3			+4.5	+9.4	
Northern Wisconsin, type 55	6.7	12.0	12.2			+82.1	+1.7	
Georgia and Florida sun-grown, type 56	2/ 1.0	.0	.0			---	.0	
Total cigar wrapper, types 61-62:	8.9	15.5	13.1			+47.2	-15.5	
Conn. Valley Shade-grown, type 61	6.3	10.5	8.0			+27.0	-23.8	
Ga. and Fla. Shade-grown, type 62	2.6	5.0	5.1			+96.2	+2.0	
Louisiana Perique, type 72	.3	.3	.4			+33.3	+33.3	
Total all types	1,501.3	1,630.9	1,593.9			+6.2	-2.3	

1/ Preliminary.

2/ Includes a small amount of type 45 supplanted by type 56.

Table 13.- Production of manufactured tobacco in the United States, for specified periods

Period	Chewing					Smoking	
	Plug	Twist	Fine-cut	Scrap 1/	Total	ing 1/	Snuff
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Average:							
1925-29	104.5	8.8	6.2	77.4	196.9	161.1	39.6
1935-39	56.9	5.9	5.0	44.0	111.8	195.0	37.3
1940	48.8	5.6	4.7	42.4	101.5	205.1	37.9
1941	50.2	5.6	5.1	44.2	105.1	197.6	39.6
1942	54.3	6.0	5.1	48.3	113.7	175.7	41.0
1943	58.9	6.3	4.5	51.4	121.1	162.8	43.2
1944	61.7	6.5	4.1	52.9	125.2	139.9	42.0
1945	59.7	6.7	4.0	47.7	118.1	168.5	43.8
1946	51.8	5.8	3.8	46.1	107.5	106.4	39.4
1947	47.3	5.2	3.8	42.2	98.5	104.7	39.2
1948	45.3	5.6	3.2	42.1	96.2	107.6	40.8
1949	41.9	5.6	2.8	39.7	90.0	108.1	40.9
Jan.-Nov. 1949:	39.0	5.2	2.5	36.6	83.3	101.2	37.4
Jan.-Nov. 1950:	37.6	5.1	2.5	36.3	81.5	102.1	37.0
Percentage change							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Jan.-Nov. 1949:							
to							
Jan.-Nov. 1950:	-3.6	-1.9	0.0	-.8	-2.2	+9	-1.1

Bureau of Agricultural Economics. Compiled from reports of Internal Revenue.
 1/ Breakdown of smoking and scrap prior to 1931 is estimated.

Table 14.- Tax-paid withdrawals of tobacco products in the United States, calendar years 1949 and 1950, and July-December 1949-50 1/

Products	Calendar year			July-December		
	1949	1950	Change	1949	1950	Change
	Million	Million	Million	Million	Million	Million
Small cigarettes	352,315	360,772	+ 2.4	176,822	182,496	+ 3.2
Large cigarettes	0.8	0.7	-12.5	0.3	0.4	+33.3
Large cigars	5,587	5,538	- .9	2,901	2,966	+ 2.2
Small cigars	82	70	-14.6	44	37	-15.9
Snuff 2/	41.2	40.2	- 2.4	20.9	20.0	- 4.3
Manufactured tobacco 2/	194.0	190.7	- 1.7	99.2	95.0	- 4.2

Bureau of Agricultural Economics. Compiled from reports of Internal Revenue.

1/ Based on sales of revenue stamps, and includes products from Puerto Rico. 2/ Million pounds.

Table 15.- Internal Revenue collections from tobacco,
average 1930-34 and 1935-39, annual 1940-50,
and percentage distribution by product

Period	Cigars 1/	Cigarettes 2/	Chewing and smoking	Snuff	Total 3/
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average:					
1930-34:	14.3	344.6	56.9	6.9	423.9
1935-39:	12.8	472.0	54.9	6.7	547.6
1940	13.1	569.3	54.8	6.8	645.5
1941	14.1	670.9	53.8	7.1	747.7
1942	16.9	782.2	50.5	7.4	858.6
1943	28.6	904.2	47.4	7.8	989.5
1944	33.6	837.6	45.3	7.6	925.4
1945	38.2	937.2	48.6	7.9	1,034.2
1946	47.5	1,125.2	38.0	7.1	1,218.4
1947	47.1	1,175.9	35.9	7.1	1,266.7
1948	46.7	1,220.6	35.9	7.5	1,311.5
1949	43.6	1,233.1	34.9	7.4	1,320.0
1950	42.8	1,262.7	34.3	7.2	1,348.1
	Percent of total				
	Pct.	Pct.	Pct.	Pct.	Pct.
Average:					
1930-34:	3.4	81.3	13.4	1.6	100.0
1935-39:	2.3	86.2	10.0	1.2	100.0
1940	2.0	88.2	8.5	1.1	100.0
1941	1.9	89.7	7.2	.9	100.0
1942	2.0	91.1	5.9	.9	100.0
1943	2.9	91.4	4.8	.8	100.0
1944	3.6	90.5	4.9	.8	100.0
1945	3.7	90.6	4.7	.8	100.0
1946	3.9	92.4	3.1	.6	100.0
1947	3.7	92.8	2.8	.6	100.0
1948	3.6	93.1	2.7	.6	100.0
1949	3.3	93.4	2.7	.6	100.0
1950	3.2	93.7	2.5	.5	100.0

1/ Includes small cigars and cigar floor-taxes. 2/ Includes large cigarettes and cigarette floor-taxes. 3/ Total includes cigarette papers and tubes and leaf dealer penalties not shown separately in this table.

Bureau of Agricultural Economics. Compiled from reports of Internal Revenue.

Table 16.-- Tobacco manufactures: Net sales, costs and expenses, net incomes, and profit ratios, by quarters, 1947-50

Year and quarter	Net sales	Costs, expenses, and other deductions	Net income		Profits in cents per dollar of sales		Profits as percentage of stockholders' equity (annual basis)	
			Before Federal income taxes	After Federal income taxes	Before Federal income taxes	After Federal income taxes	Before Federal income taxes	After Federal income taxes
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.				
1947								
1	586	546	40	24	6.8	4.1	14.8	8.8
2	667	626	41	25	6.1	3.7	15.2	9.2
3	683	637	46	29	6.7	4.2	17.2	10.8
4	705	654	51	31	7.2	4.4	18.8	11.2
Year	2,641	2,463	178	109	6.7	4.1	16.6	10.1
1948								
1	692	646	46	28	6.6	4.0	16.0	10.0
2	783	731	52	33	6.6	4.2	18.0	11.6
3	852	769	83	52	9.7	6.1	28.0	17.6
4	754	678	76	46	10.1	6.1	25.6	15.6
Year	3,081	2,824	257	159	8.3	5.2	22.0	13.7
1949								
1	702	648	54	34	7.7	4.8	18.4	11.6
2	782	718	64	39	8.2	5.0	20.8	12.8
3	812	743	69	43	8.5	5.3	22.0	13.6
4	765	702	63	40	8.2	5.2	19.6	12.4
Year	3,061	2,811	250	156	8.2	5.1	20.2	12.6
1950								
1	703	652	52	32	7.4	4.6	16.4	10.0
2	775	712	63	39	8.1	5.0	19.2	12.0
3	839	754	85	45	10.1	5.4	25.2	13.2

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